FOR MYSORE STATE

(1954) Department.

Ms. Ns. SERIES.

G.O. No. 4380 4380

14-12-54.

Dated 14th December 1954

ASST. SECRETARY TO GOVERNMENT
PUBLIC WORKS DEPARTMENT

Tel:"ELECTRICITY" 89531 ELECTRICITY [illegible] 18NOV 1954

From
Sri K.V.Karantha, M.A., M.I.E.,
Chief Electrical Inspector
to Government,
157, Mount Road, Madras.2.

To
The Secretary to Governme
Public Works Department,
Fort. St. George.,
Madras.9.

No. 230 A. 0/53-6 dated 17-11-54.

Sir,

Sub:: Mangalore Electric licence - Accounts for 1952-53 Audited by the Audit Officer on behalf of Government - Remarks - submitted.

***

I forward herewith a copy of the audited statement of accounts of the Mangalore electrical undertaking for 1952-53, two copies of the audit report submitted by the Audit Officer, bill of charges for Government audit for R. 805--0--0 (Rupees Eight hundred and five only).

2. The accounts have been scrutinised and the following remarks are submitted.

3. The accounts under review relate to the twentieth year of operation.

4. The important features of working are as extracted below:-

| Name of item. | 1951-52. | 1952-53. |
|---|---|---|
| 1. Total Capital expenditure to the end of | R. 16,40,748/- | R.16,97,951/- |
| 2. Total operation and maintenance. Expenditure. | " 6,63,[illegible]/- | " 7,[illegible],828/- |
| 3. Total expenditure against revenue. | " 7,04,300/- | " 8,48,929/- |
| 4. Revenue from electric supply only. | " 6,87,473/- | " 8,73,578/- |
| 5. Total revenue from working. | " 7,45,044/- | " 9,34,205/- |
| 6. Gross profit. | " 91,622/- | " 1,41,377/- |
| 7. Net profit for the year. | " 40,744/- | " 85,276/- |
| 8. Net profit from General Balance Sheet. | " 78,002/- | " 87,174/- |
| 9. Cost per unit generated in annas. | 1.65 as. | 1.91 as. |
| 10. Working cost per unit generated in annas. | 3.15 " | 3.60 " |
| 11. Working cost per unit sold in annas. | 3.75 " | 4.21 " |
| 12. Total units generated. | 35,80,920. | 37,71,792. |
| 13. Total units sold. | 30,08,500. | 32,25,417. |
| 14. Total number of consumers. | 3,972. | 4,223. |
| 15. Maximum Demand. | 976 K.W. | [illegible],000 K.W. |
| 16. Dividend declared on ordinary shares. | 10% Tax Free. | 10% Tax Free |

5. A bill for R. 805--0--0 being the fees for the audit of the accounts of the licensee for 1952-53 is sent herewith in duplicate. The bill may kindly be approved and one copy thereof sent to the licensee for payment as indicated therein

3. My remarks on the audit report are submitted below.

Paragraphs 4, 6, 7, 9, 13 and 14.

I endorse the remarks of the Audit Officer.

7. The licensee has earned profits in excess of the reasonable return permissible under clause II of the Sixth Schedule to the Electricity (Supply) Act. In 1949-50 he earned 98.8% excess and in 1952-53 40.5% in excess. My remarks on the annual accounts of the two other licensees, under the Octavius Steel and Company Limited., namely the Salem-Erode Electricity Distribution Company Limited and the Tinnevelly-Tuticorin Electric Supply Co., Ltd., apply to this licensee also. But since this undertaking is likely to be acquired in the near future, I suggest that the drastic action as suggested therein may not be necessary. The licensee may, however, be told that by earning profits in excess of the permissible limit as per clause II of the Sixth Schedule to the Electricity (Supply) Act, he has given scope to the Government to consider the appointment of a Rating Committee under section 57 (2) (a) of the Electricity (Supply) Act and the Government will be constrained to appoint such a Committee unless the licensee in future will take care not to exceed the permissible profits, thus avoiding undue burden on consumers.

Yours faithfully,

Chief Electrical Inspector -11.54
to Government.

16/11

Encl: (1) 1 copy of accounts.
(2) Two copies of audit report.
(3) Two copies of bill.

ns.1 .11.54.

GOVERNMENT OF MADRAS
ELECTRICITY DEPARTMENT.

Bill No. **128** ORIGINAL/DUPLICATE. DATED: **4-11-1954.**

**The Mangalore Electric Supply Company Limited.** Dr.

The Chief Electrical Inspector to Government.,
157, Mount Road, Madras.2. Cr.

| Particulars. | | Amount. Rs. | A. | P. |
|---|---|---|---|---|
| A. Audit fees to cover the salary and other fixed allowance of the Audit Officer and staff for the time spent in auditing the accounts ~~for the xxxxxxxxxxxxxxxxxxxx at of the xxxxxxx~~ **Mangalore Electric Supply Company Limited for the year 1952-53 at site.** | .. | 311 | 2 | 0 |
| B. Travelling allowance ~~xxxxxxxxxxxxxx xxxxxxx charges (xxxxxxx~~/ proportionate) . | .. | 439 | 14 | 0 |
| C Headquarters establishment charges and other incidental expenses recoverable. | .. | 54 | 0 | 0 |
| | Total. | 805 | 0 | 0 |

(Rupees **Eight hundred and five only.** )

The audit fees claimed in this bill should be paid in full within thirty days of date of receipt of this bill into a Government Treasury or the Reserve Bank of India, or one of the branches of the Imperial Bank of India to the credit of the Government under the head "XIII. Other Taxes and Duties-B-Receipts from Electricity Duties-b-Other Receipts - Fees for auditing the accounts of Licensees" and the Treasury or Bank receipt forwarded to the Chief Electrical Inspector to Government., Madras soon after.

2. Failure to pay the audit fees within the date specified above, will render the electric licensee liable for action under Section 54 of the Indian Electricity Act, 1910 or any Statutory Modification thereof.

Chief Electrical Inspector
to Government. 7/11/54

**Mvr./5/11/54.**

11/11/54 16/11.

# AUDIT REPORT.

Office of the Chief Electrical Inspector t
Government,157, Mount Road, Madras.2.

Dated the 17th November 1954.

To
The Chief Electrical Inspector
to Government,
157, Mount Road,
M a d r a s. 2.

Sir,

Sub:: Audit of accounts of the Mangalore Elec
ric licence for the year ending 31-3-53
Audit conducted by the Audit Officer,
Sri A.K.Ramiah appointed in G.O. Ms.
No. 950 P.W. dated 15-3-1949 with the
assistance of staff.

Place of Audit: Registered Office at Calcutta

Duration of Audit: - 19 to 22-6-54; 25-6-54;
29-6-54; 1-7-54 to
5-7-54.

***

I have conducted a test audit of the accounts of the Mangalore Electric licence for the year endin 31-3-1953 and have to report as follows.

2. The statements of accounts have been drawn in accordance with the model form prescribed in G.O. Ms. No. 537 P.W., dated 7-2-1951 subject to the foll ing remarks.

3. Statement No. II. Capital Expenditure.

The remarks offered in para 3 of the Audit Report on the accounts for the year ending 31-3-1951 apply for the year under review also. But, in view the licensee having followed the advice (vide his letter No. Man A/c 5/B dated 6-4-54 to the Additiona Deputy Secretary to Government, Public Works Department), no further action is suggested.

4. Statement No. IV. Operating Expenses

(a) Management Expenses - Managing Agents' Ordinary Remuneration - Rs. 13,017/-.

The amount drawn is in order.

(b) Managing Agents' Office allowance - On operating Expenditure - Rs. 17,181/-.

The licensee has calculated office allowance the Directors' Remuneration of Rs. 3,600/- and on the contribution of Rs.314/- to the Vallabhai Patel Memor Fund. The Directors' Remuneration of Rs. 3,600/- is only an expenditure relating to management and so should be excluded. The contribution to Vallabhai Patel Memorial Fund, though admissible as an expendi for tax relief is not an expenditure arising from an ancillary or incidental to the business of Electrici

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supply and so should be excluded. The amount overdrawn is Rs.196/- (5% of Rs. 3,914/- ). Further in the working sheet furnished by the licensee, he has taken Rs.71/- being depreciation as operating expenditure. This amount also should be excluded for the calculation of office allowance. The amount overdrawn on this is Rs.4/- (5% on Rs. 71/- ). The licensee may be advised to recover Rs. 196 plus Rs. 4/- Rs. 200 from the managing agents.

(c) Office allowance on Capital expenditure

- Rs. 2,404/-

The amount drawn is in order.

5. Statement No. VII. Tariffs and Dividends Control Reserve. Appropriation during the year - Rs. 1,032/-.

For comments see Para 13 below.

6. Statement No. VIII. Net Revenue and Appropriation Account.

(a) Depreciation - Rs. 50,762/-.

The depreciation provided by the licensee on the assets for the year is Rs. 50,762/-. The instalment on account of arrears of depreciation is Rs. 5,026/-. The provision made may be tentatively accepted for the reasons given in Para 4 of the Audit Report on the accounts for the year ending 31-3-52. Further remarks from the licensee are awaited in regard to re-examination of the depreciation provided for the years ending 31-3-51 and 31-3-52.

(b) Taxes on Income and Profits - Rs. 25,700/-

Reserve for Deferred Taxation - Rs. 20,000/-.

The tax liability of the licensee for the ye as per the Assessment Order is Rs. 27,278/-. For furt comments vide Para 9 below.

(c) Contribution towards Contingencies Reserve. Rs.3,996/-

The contribution made by the licensee is within the limits prescribed in Para IV (1) of the Sixth Schedule to the Electricity Supply Act, 1948.

(d) Interest paid on loans and advances - Rs.4,953--2--0.

This includes Rs.1,500/- paid to the Managing Agents as guarantee commission at 1 percent on cash credit account with the Bank of India Limited. The remarks offered in regard to this item in Para 7 (e) of the Audit Report on the accounts of the Salem-Erode electric licence for the year ending 31-3-53 are applicable and subject to acceptance by Government, the licensee may be advised to recover Rs. 1,500/- from the Managing Agents.

(e) Appropriation towards Tariffs and Dividends Control Reserve - Rs. 1,032/-.

This represents contribution made by the licensee for the accounting year as representing excess of clear profit over the reasonable return. The amount contributable on account of this year is indicated in Para 13 below.

f) Rebate to consumers - Rs. 1,032/-.

This represents contribution made by the licensee for the accounting year as representing excess of clear profit over the reasonable return. The amount contributable on account of this year is indicated in Para 14 below.

Electricity (Supply) Act, 1948.

7. Capital Base.

The capital base as furnished by the licensee for the year is Rs. 11,55,205/-. In arriving at the capital base, the licensee has included under cash and Bank balances not exceeding one-fourth of the operating expenditure Rs. 79,053/-. This requires revision on account of (1) inclusion of contribution of Rs.314/- to the Vallabhai Patel Memorial Fund under operating expenditure while it should be considered only as an appropriation of profits and (2) office allowance of Rs.200/- overdrawn as pointed out in Para 4 (b) above.

The revised capital base of the licensee will therefore be:-

| | |
|---|---|
| As furnished. | Rs. 11,55,205/- |
| LESS under cash and Bank Balances -1/4 th of Rs.514/- | Rs. 129/- |
| | Rs. 11,55,076/-. |

8. Reasonable Return.

| | |
|---|---|
| 5% on Rs. 11,55,076/- | Rs. 57, 754/- |
| Income from Investments. | " 425/- |
| | Rs. 58,179/- |

9. Clear Profit.

| | |
|---|---|
| Income for the year. | Rs. 9,34,206/- |
| Expenditure for the year. As furnished by the licensee. | Rs. 8,72,926/- |

The licensee has included the following amounts under expenditure --

(1) Contribution to Vallabhai Patel Memorial Fund Rs. 314/-

(2) Provision for Income-Tax Rs. 45,700/-

The tax liability of the licensee for the year as pointed out in Para 6 (b) above is Rs. 27,278/-. According to Para XVII (2) (c) (ii) of the Sixth Schedule, only the actual liability could be allowed. The contribution to the Vallabhai Patel Memorial Fund cannot be allowed as an expenditure as the licensee has not applied to Government to sanction the expenditure as a special appropriation under Para XVII (2) (c) (vi) of the Sixth Schedule. The expenditure to be disallowed in addition to the above as pointed out in Para 4 (b) and (d) above are Rs. 200/- plus Rs.1,500/- Rs. 1,700/-. The revised expenditure of the licensee

for the year will be--

As furnished by the licensee.

| | |
|---|---|
| LESS contribution to Vallabhai Patel Memorial Fund. | Rs. 314/- |
| LESS excess provision for Income-Tax. | 18,422/- |
| " Excess taken as per 4 (b) and (d) above. | 1,700/- |

he clear profit earned by the licensee for the year is Rs. 3,34,206/- minus Rs. 8,52,490/- Rs.81,716/-.

10. As against a reasonable return of Rs.58,179/-, the clear profit earned is Rs.81,716/-. The excess earnings over the reasonable return is Rs. 23,537/- and the percenta of excess over the reasonable return works out to

$$\frac{23,537}{58,179} \times 100 = 40.46\%$$

11. According to Para I of the Sixth Schedule, the licensee should be deemed to have failed to adjust his rates of supply.

12. According to Para II (1) of the Sixth Schedule, the excess earnings over the reasonable return should be distributed as follows:-

| | | |
|---|---|---|
| At the disposal of the licensee, -7½ % of the reasonable return. | | Rs. 4,363--0--0 |
| Contribution to Tariffs and Dividends Control Reserve. | | " 9,587--0--0 |
| Contribution to Consumers' Fund. | | " 9,587--0--0 |
| | | Rs.23,537--0--0 |

13. While the licensee has to contribute to the Tariffs and Dividends Control Reserve Rs. 9,587/- on accoun of excess earnings over the reasonable return, he has actually contributed Rs. 1,032/- only. The licensee may be advised to contribute the balance of Rs. 8,555/- on account of the year.

14. The contribution due to the Consumers' Fund is Rs. 9,587/-. The actual contribution made by the licensee is Rs. 1,032/-. The licensee may be advised to contribute the balance of Rs. 8,555/-.

15. General.

The remarks offered in Para 20 of the Audit Repo on the accounts for 1950-51 hold good for the year under review.

16. Compliance of instructions contained i

Ms. No.1213, P.W., dated 19-3-52 on the accounts

1949-50.

No remarks.

17. Compliance of instructions contained in

Ms. No.136 P.W., dated 12-1-54 on the accounts f

1950-51 and G.O. Ms. No.137 P.W., dated 12-1-54

accounts for 1951-52.

As the above two Government Orders have be
issued during the accounting year 1953-54, remar
any, will be offered after the audit of accounts
the year 1953-54.

Yours faithfully,

ns.15.11.54.

AUDIT OFFICER.

17.11.54

The Mangalore Electric Supply

SUMMARY OF TECHNICAL AND FINANCIAL PA

---

*-TECHNICAL.*

| | | |
|---|---|---|
| 1. | Year of working ... ... ... | ( .6.7.1933) 20th year |
| 2. | Area of supply in square miles ... ... | 78.57 sq. miles of which more than half is in the Arabian Sea. |
| 3. | Approximate population in area of supply ... | 1,17,095 |
| 4. | Installed capacity of Generating Plant— | |
| | Steam ... ... ... ... | - |
| | Oil ... ... ... ... | 1284 K.W. |
| | Hydro ... ... ... ... | - |
| | Total ... ... ... ... | 1284 K.W. |
| 5. | Maximum Demand on the system—kw. ... | 1009 |
| 6. | kwh generated ... ... ... | 37,71,792 |
| 7. | kwh used for Powers Station Auxiliaries ... | 1,23,031 |
| 8. | kwh purchased from other agencies ... | - |
| 9. | kwh available for sale (6—7 plus 8) ... | 36,48,761 |
| 10. | kwh sold ... ... ... ... | 32,25,417 |
| 11. | Fuel— ... ... ... ... | - |
| | (*a*) (i) Coal consumed in tons ... ... | - |
| | (ii) Average calorific value per lb. of coal consumed ... ... ... | - |
| | (iii) Average cost of coal per ton ... | - |
| | (*b*) (i) Oil consumed in tons ... ... | 1098.40 |
| | (ii) Average calorific value per lb. of oil consumed ... ... ... | Not available. |
| | (iii) Average cost of oil per ton ... | Rs.312-5-4 |
| 12. | Total number of consumers ... ... | 4,223 |
| 13. | Total connected load—kw. ... ... | 5062 |
| 14. | Segregation of kwh sold— ... ... | |
| | (i) Domestic or Residential : ... ... | |
| | (*a*) Heat and power ... ... | 2,64,402 |
| | (*b*) Light and fans ... ... | 10,62,474 |
| | C/O | 13,26,876 |

FOR THE YEAR ENDED 31.3.52.

*FINANCIAL.*

| | | |
|---|---|---|
| 1. | Share Capital (Paid-up) ... ... | 5,60,000 |
| 2. | Loan Capital (other than loans advanced by Electricity Board) ... ... ... | 1,37,500 |
| 3. | Total Capital in use (1 plus 2) ... ... | 6,97,500 |
| 4. | Total Capital Expenditure ... ... | 16,97,951 |
| 5. | Capital Base (*Vide* Clause XVII—(1) of schedule Six of the Electricity (Supply) Act, 1948) ... | 11,55,205 |
| 6. | Reasonable Return (*Vide* Clause XVII—(9) of Schedule Six of the Electricity (Supply) Act, 1948) ... ... ... ... | 58,185 |
| 7. | Clear Profit (*Vide* Clause XVII—2) ... | 61,280 |
| 3. | Actual sum permissible by the Electricity (Supply) Act, 1948 for distribution to Share and Debenture holders ... ... | 59,216 |
| 9. | Item (8) expressed as a % of item (3) ... | 8.49 |
| 10. | Item (8) expressed as a % of item (4) ... | 3.49 |
| 11. | Item (8) expressed as a % of item (5) ... | 5.13 |
| 12. | Dividend declared for the year— ... | |
| | (*a*) On Ordinary Shares ... ... | 10 per cent (Tax free Rs.56,000 |
| | (*b*) On Preference Shares ... ... | |
| 13. | Market Price of Shares— ... ... | |
| | (*a*) Ordinary Shares ... ... | |
| | (*b*) Preference Shares ... ... | |
| 14. | Operating expenses (*Vide* Statement IV) ... | 7,37,039- 8- 5 |
| 5. | Depreciation set apart (*Vide* Statement V) for the year ... | 50,762- 0- 0 |
| 6. | Total operating cost including depreciation (14 plus 15) ... ... ... ... | 7,87,801- 8- 5 |
| 7. | Cost per kwh sold (16 ÷ kwh sold) ... | 3.90 annas |
| 8. | Revenue per kwh (overall) Receipts by sale of Electricity ÷ kwh sold ... ... | 4.33 " |

| | |
|---|---|
| B/forward | 13,26,876 |
| (ii) Commercial : | |
| (*a*) Heat and power ... ... | 30,453 |
| (*b*) Light and fans ... ... | 3,84,462 |
| (iii) Industrial Power : | |
| (*a*) Low and medium voltage ... | 12,70,353 |
| (*b*) High voltage ... ... | - |
| (iv) Public Lighting : | 2,10,787 |
| (v) Traction ... ... ... | Nil |
| (vi) Irrigation ... ... ... | 2,486 |
| (vii) Public Water Works and Sweage Pumping | Nil |
| (viii) Supplies in bulk to Distributing Licensees | Nil |
| | 32,25,417 |

*VANCIAL.*

Revenue per kwh sold—

| | | |
|---|---|---|
| (i) Domestic or Residential : | | |
| (*a*) Heat and Power ... ... | 3.430 annas | |
| (*b*) Light and fans ... ... | 6.030 " | |
| (ii) Commercial : | | |
| (*a*) Heat and Power ... ... | 3.356 " | |
| (*b*) Light and fans ... ... | 4.204 " | |
| (iii) Industrial Power : | | |
| (*a*) Low and medium voltage ... | 3.304 annas | |
| (*b*) High voltage ... ... ... | - | |
| (iv) Public lighting ... ... ... | 3.320 annas | |
| (v) Traction ... ... ... | - | |
| (vi) Irrigation ... ... ... | 3.275 " | |
| (vii) Public Water Works and Sewage Pumping | - | |
| (viii) Supplies in bulk to Distributing Licensees | - | |

For and on behalf of
THE MANGALORE ELECTRICITY SUPPLY CO. LTD.
OCTAVIUS STEEL & CO. LTD.
Director.
Managing Agents.

ELECTRIC LICENSE I

The Mangalore E

NAME OF UNDERTAKING.....

(Applicable to Companies). STATEMENT OF SHARE AND LOAN CAI

| Description of Capital. | Balance at the beginning of the year. Rs. As. Ps. |
|---|---|
| A—*SHARE CAPITAL.* | |
| *Authorised Capital.* | |
| 1,00,000 Ordy. Shares of Rs. 10/- each ... ... | 10,00,000 |
| .....% Pref. Shares of Rs. „ ... ... | |
| *Issued Capital.* | |
| 70,000 Ordy. Shares of Rs. 10/- each. ... ... | 7,00,000 |
| .....% Pref. Shares of Rs. „ ... ... | |
| *Subscribed Capital.* | |
| 56,000 Ordy. Shares of Rs. 10/- each. ... ... | 5,60,000 |
| .....% Pref. Shares of Rs. „ ... ... | |
| *Called up Capital.* | |
| 56,000 Ordy. Shares of Rs. 10/- each. ... ... | 5,60,000 |
| .....% Pref. Shares of Rs. „ ... ... | |
| Less calls in arrears. ... ... ... | 5,60,000 |
| *Paid up Capital.* | |
| Forfeited shares. ... ... ... | 75 |
| Calls in advance. ... ... ... | |
| *Total share capital.* ... ... ... | 5,60,075 |
| B—*LOAN CAPITAL.* | |
| Loans from Provincial Electricity Board. | |
| Debentures. ... ... ... ... | 1,37,500 |
| Other secured loans. ... ... ... | |
| Loans and advances. ... ... ... | |
| *Total Loan Capital.* ... ... ... | 1,37,500 |
| C—*Other Capital.* | |
| Consumers contribution for service connections after the commencement of Electricity (Supply) Act 1948. Special items to be specified. | 95,295-12- 3 |
| *Total other capital.* ... ... ... | |
| *TOTAL CAPITAL RAISED AND APPROPRIATED.* | 95,295-12- 3 |

7.92.870-12- 3

D 6th May 1930.

1c Supply Co,Ltd. 1952-53.

.....YEAR OF OPERATION.....

FOR THE YEAR ENDED 31.3.53

STATEMENT I.

| Receipts during the year. Rs. As. Ps. | Redeemed during the year. Rs. As. Ps. | Balance at the end of the year. Rs. As. Ps. | Remarks. |
|---|---|---|---|
| Nil | Nil | 10,00,000 | |
| Nil | Nil | 7,00,000 | |
| Nil | Nil | 5,60,000 | |
| Nil | Nil | 5,60,000 | |
| - | - | 5,60,000 | |
| Nil | Nil | 75 | |
| Nil | Nil | 5,60,075 | |
| Nil | NIL | 1,37,500 | |
| Nil | Nil | 1,37,500 | |
| 26,721- 7- 0 | Nil | 1,22,017- 3- 3 | |
| 26,721- 7- 0 | Nil | 1,22,017- 3- 3 | |
| 26.721- 7- 0 | Nil | 1,19,592- 2- 2 | |

Examined and found correct subject to my report, dated 17/4/53

Audit Officer.

OCTAVIUS STEEL & CO.

## STATEMENT OF CAPITAL EXPENDITURE

| (1) | Balance at the beginning of the year. (2) Rs. |
|---|---|
| —*Intangible Assets.* | |
| 1. Preliminary Expenses ... ... ... | |
| 2. Cost of Licence ... ... ... ... | |
| 3. Miscellaneous Expenses ... ... ... | |
| *Total Intangible Assets* ... ... ... | |
| —*Hydraulic Power Plant.* | |
| 1. Land & Rights ... ... ... ... | |
| 2. Buildings & Structures ... ... ... | |
| 3. Reservoirs, Dams, Waterways & Pipe-lines ... ... | |
| 4. Water-wheels, Generators & Accessory Equipment ... | |
| 5. Miscellaneous Power Plant Equipment ... ... | |
| 6. Other Civil Works ... ... ... ... | |
| *Total Hydraulic Power Plant* ... ... | |
| —*Steam Power Plant.* | |
| 1. Land & Rights ... ... ... ... | |
| 2. Buildings & Structures ... ... ... | |
| 3. Boiler Plant & Equipment ... ... ... | |
| 4. Engines, Turbines, Generators & Accessory Equipment ... | |
| 5. Miscellaneous Power Plant Equipment ... ... | |
| 6. Other Civil Works ... ... ... ... | |
| *Total Steam Power Plant* ... ... ... | |
| )—*Oil or Gas Power Plant.* | |
| 1. Land & Rights ... ... ... ... | 11,289- 6- 6 |
| 2. Buildings & Structures ... ... ... | 73,189- 7- 0 |
| 3. Engines, Generators & Accessory Equipment ... | 4,73,295-12- 7 |
| 4. Miscellaneous Power Plant Equipment ... ... | 1,036- 3- 0 |
| *Total Oil or Gas Power Plant.* | 5,58,810-13- 1 |

THE YEAR ENDED 31.3.63. STATEMENT II.

| dditions during he year. (3) Rs. | Retirements during the year. (4) Rs. | Balance at the end of the year. (5) Rs. | Remarks. (6) |
|---|---|---|---|
| - | | 11,289- 6- 6 | |
| 726-12- 4 | | 76,916- 3- 4 | |
| 477- 2- 9 | - | 4,74,772-15- 4 | |
| - | - | 1,036- 3- 0 | |
| 203-15- 1 | - | 5,64,014-12- 2 | |

## STATEMENT OF CAPITAL EXPENDI'

| (1) | Balance at the beginning of the year (2) Rs. |
|---|---|
| *—Transmission Plant (Extra High Voltage).* | |
| 1. Land & Rights ... ... ... ... | |
| 2. Buildings & Structures ... ... ... | |
| 3. Station Equipment ... ... ... ... | |
| 4. Towers, Poles & Fixtures ... ... ... | |
| 5. Overhead Conductors & Devices ... ... | |
| 6. Underground Cables & Devices ... ... ... | |
| *Total Transmission Plant (E.H.V.)* ... ... | |
| *—Distribution Plant—High Voltage.* | |
| 1. Land & Rights ... ... ... ... | |
| 2. Sub-station Equipment ... ... ... | 1,01,930- 7- 3 |
| 3. Line Transformers ... ... ... ... | |
| 4. Towers, Poles & Fixtures ... ... ... | |
| 5. Overhead Conductors & Devices ... ... | 1,14,090- 4- 3 |
| 6. Underground Cables & Devices ... ... ... | 3,564- 0- 0 |
| 7. Service Connections ... ... ... ... | |
| 8. Meters & Accessory Equipment ... ... ... | |
| 9. Buildings & Structures ... ... ... | |
| *Total Distribution Plant (H. V.)* ... ... | 2,19,584-11- 6 |
| *—Distribution Plant—Medium and Low Voltage.* | |
| 1. Land & Rights ... ... ... ... | |
| 2. Poles & Fixtures ... ... ... | 793- 2- 3 |
| 3. Overhead Conductors & Devices ... ... | 2,69,723- 0- 6 |
| 4. Underground Cables & Devices ... ... ... | 26,259- 5- 2 |
| 5. Service Connections ... ... ... ... | 2,38,657- 9- 8 |
| 6. Meters & Accessory Equipment ... ... ... | 1,80,897-15- 8 |
| *Total Distribution Plant (M. & L. V.)* | 7,16,331- 1- 3 |
| *—Public Lighting.* | |
| 1. Street & Signal Lighting Systems ... ... | 21,328-14- 3 |

THE YEAR ENDED 31.3.53. STATEMENT 1

| dditions during he year (3) | Retirements during the year (4) | Balance at the end of the year (5) | Remarks. (6) |
|---|---|---|---|
| Rs. | Rs. | Rs. | |
| 19-13- 9 | - | 1,05,450- 5- 0 | |
| - | - | 1,14,090- 4- 3 | |
| - | - | 3,554- 0- 0 | |
| 19-13- 9 | - | 2,23,104- 9- 3 | |
| 04- 0- 0 | ) | 1,397- 2- 3 | |
| 14-15-11 | - ) | 2,72,438- 0- 5 | |
| 00-11- 4 | - | 26,960- 0- 6 | |
| 694-10- 4 | - | 2,70,352- 4- 0 | |
| 208- 0- 0 | 1,896-0-0 | 1,93,209-15- 8 | |
| 922- 5- 7 | 1,896- 0- 0 | 7,64,357- 6-10 | |
| 643- 2- 2 | - | 21,972- 0- 5 | |

STATEMENT OF CAPITAL EXPENDITURE F(

| (1) | Balance at the beginning of the year. (2) Rs. |
|---|---|
| J—*General Equipment.* | |
| 1. Land & Rights. ... ... ... ... | |
| 2. Buildings & Structures. ... ... ... | 83,424- 4- 0 |
| 3. Office Furniture & equipment. ... ... ... | 4,157- 8- 3 |
| 4. Transportation equipment. ... ... ... | 13,483-10- 9 |
| 5. Laboratory & meter testing equipment. ... ... | 7,013- 7- 7 |
| 6. Stores. ... ... ... ... | |
| 7. Tools & Work equipment. (Fixed) ... ... | 8,005- 7- 0 |
| do. (Loose) | 6,604-14- 1 |
| 8. Communication equipment. ... ... ... | - |
| 9. Miscellaneous equipment. ... ... ... | 2,002-14- 0 |
| *Total General Equipment.* ... ... | 1,24,692- 1- 8 |
| *TOTAL CAPITAL ASSETS.* ... ... | 16,40,747- 9- 9 60 |

*Note*:—Capital cost figures against item Nos. F7 and G5 should include the contribution made by consumers towards service line charges.

THE YEAR ENDED 31.3.53 ..... STATEMENT

| Additions during the year. (3) Rs. | Retirements during the year. (4) Rs. | Balance at the end of the year. (5) Rs. | Remarks. (6) |
|---|---|---|---|
| 004- 0- 1 | - | 83,728- 4- 1 | |
| 224-11- 2 | - | 4,382- 3- 5 | |
| - | - | 13,483-10- 9 | |
| 9-14- 0 | 196- 4- 2 | 7,107- 1- 5 | |
| | - | 8,005- 7- 0 | |
| - 2- 6 | 851-12- 0 | 5,792- 4- 7 | |
| | - | - | |
| | - | 2,002-14- 0 | |
| 7-11- 9 | 1,048- 0- 2 | 1,24,501-13- 3 | |
| 7- 0- 4 | 2,944- 0- 2 | 16,97,950- 9-11 | |

Examined and found correct subject to report, dated 17.11.53

Audit Officer.

## STATEMENT OF REVENUES FOR THE

| (1) | Amount for year Rs. (2) |
|---|---|
| *Revenue by Sale of Electricity for.* | |
| 1. Domestic or Residential : | |
| (*a*) Lights and Fans ... ... ... | 4,00,377- |
| (*b*) Small Power ... ... ... ... | 56,741- |
| 2. Commercial : | |
| (*a*) Lights and Fans ... ... ... | 1,01,004-11 |
| (*b*) Small Power ... ... ... ... | 6,387- |
| 3. Industrial : | |
| (*a*) Medium & Low Voltage ... ... ... | 2,64,826- |
| (*b*) High Voltage ... ... ... ... | - |
| 4. Public Lighting ... ... ... ... | 43,729- |
| 5. Traction ... ... ... ... ... | - |
| 6. Irrigation ... ... ... ... ... | 508- |
| 7. Public Water Works & Sewage Pumping ... | |
| 8. Supplies in bulk to Distributing Licensees ... ... | - |
| Less Rebates Allowed ... ... | |
| *Total Receipts by Sale of Electricity.* | 8,78,577- |

STATEMENT OF REVENUES FOR

| (1) | Amount (2) Rs |
|---|---|
| *—Miscellaneous Revenue from Consumers* | |
| 1. Sale of Stores. ... ... ... ... | |
| 2. Rentals from: | |
| (a) Property. ... ... ... ... | |
| (b) Meters. ... ... ... .. | 39,717- |
| (c) Electric Motors, fittings & appliances. ... | |
| 3. Other receipts (to be specified). ... ... | |
| (a) Maintenance of Public Lamps .. .. | 13,504- |
| (b) Other Receipts .. .. | 4,187- |
| (c) Special Contract & sundry sales .. .. | 1,511- |
| *Total Miscellaneous Revenue from consumres.* ... | 58,921- |
| *—Other Revenue.* | |
| 1. Interest on securities & investments. & Deposits ... .. .. | 1,705- |
| 2. Commission for the collection of electricity duty. ... | |
| 3. Miscellaneous items (to be specified). ... ... | |
| *Total Other Revenue.* ... ... ... | 1,705- |
| *TOTAL ELECTRIC OPERATING REVENUES.* ... | 9,34,204- |

IE YEAR ENDED....31.3.53.....

STATEMENT III.

| ar. | Remarks. |
|---|---|

Examined and ... correct
subject to my report, dated 17 11 53

Audit Officer.

(1)

*A—Hydraulic Power Generation.*

(*a*) *Operation.*

1. Water for power ... ... ...
2. Salaries for supervisory staff ... ...
3. Salaries & wages for labour ... ...
4. Lubricants and other consumable stores ...
5. Station supplies & miscellaneous expenses ...

*Total Operation* ... ... ...

(*b*) *Maintenance.*

1. Salaries for supervisory staff ... ...
2. Reservoirs, dams, waterways & pipe-lines ...
3. Prime-Movers, Generators & accessory equipment ...
4. Other Civil Works ... ... ...

*Total Maintenance* ... ... ...

*TOTAL HYDRAULIC POWER GENERATION EXPENSES.*

*B—Steam Power Generation.*

(*a*) *Operation.*

1. Fuel ... ... ... ... ...
2. Salaries for supervisory staff ... ...
3. Salaries & wages for labour ... ...
4. Lubricants & other consumable stores ... ...
5. Water (if purchased separately) ... ...
6. Station supplies & miscellaneous expenses ...

*Total Operation* ... ... ...

(*b*) *Maintenance.*

1. Salaries for supervisory staff ... ...
2. Boilers, Furnaces, Steam-pipes & accessory equipment
3. Engines, Turbines, Generators & accessory equipment

*Total Maintenance*

*Gas Power Generation.*

*Operation.*

1. Fuel ... ... ... ... ...
2. Salaries for supervisory staff ... ...
3. Salaries & wages for labour ... ...
4. Lubricants & other consumable stores ... ...
5. Water (if purchased separately) ... ...
6. Station supplies & miscellaneous expenses ...

Overhead Charges (General Establishment)

*Total Operation* ... ... ...

*Maintenance.*

1. Salaries for supervisory staff ... ...
2. Engines, generators & accessory equipment ...
3. Wages ... ... ... ...
4. Instruments & Tools ... ... ...

*Total Maintenance* ... ... ...

*AL OIL OR GAS POWER GENERATION EXPENSES*

*ver purchased.*

*OTAL PRODUCTION EXPENSES* (A+B+C+D)

*mission (Extra High Voltage).*

*eration & Maintenance.* ... ... ...

1. Salaries for supervisory staff ... ...
2. Salaries & wages for labour for stations ...
3. Salaries & wages for labour for lines ... ...
4. Supplies & miscellaneous expenses for stations ...
5. Supplies & miscellaneous expenses for lines ...

*Total Transmission expenses (E.H.V.)* ...

*stribution—High voltage.*

*Operation & Maintenance.*

1. Salaries for supervisory staff ... ...
2. Salaries & wages for labour for stations ...
3. Salaries & wages for labour for H.V. mains ...
4. Supplies & miscellaneous expenses for stations ...
5. Supplies & miscellaneous expenses for mains (Motor Car Maintenance) ... ... ...
6. Substation Building ... ... ...

*Total Distribution—(H.V.)—Expenses* ...

*-Distribution—Medium and Low Voltage.*

*Operation & Maintenance.*

1. Salaries for supervisory staff ... ... ...
2. Salaries & wages for labour ... ... ...
3. Supplies & miscellaneous expenses ... ...

(*a*) Overhead ... ... ... ...

(*b*) Underground ... ... ...

(*c*) Motor Car Maintenance ... ... ...

4. Tools ... ... ... ... ..

*Total Distribution (M. & L.V.)—expenses*

*Public Lighting.*

*Operation & Maintenance.* ... ... ...

**Repairs**

1. Renewal of lamps ... ... ...

*-Consumers' Services, accounts, Collection and Sales promotion*

1. Salaries for supervisory staff ... ... ...
2. Meter reading and inspection ... ...
3. Billing Collecting and accounting ... ...
4. Exhibitions. Demonstrations and advertisements ...
5. Merchandising servicing and contract work ...

(*a*) House Service Overhead ... ... ...

6. Miscellaneous expenses ... ... ...

*Total Consumers' Services, etc.* ... ...

*—Rates and Taxes* ... ... ... ...

**Electricity Duty** ... ... ... ...

*-General Establishment Charges*

1. Salaries of general officers & executives ...
2. Other general office salaries ... ... ...
3. Travelling & other expenses of officers and staff ...
4. Rents & Way leaves ... ... ...
5. General Office and show-room maintenance and supplies
6. Auditor s services . . ... ...
7. Legal services ... ... ... ...
8. Insurance ... ... ... ...
9. Contributions to Provident Fund & Staff Pensions ...
10. Other items (to be specified) ... ...

*Total General Establishment Charges* ...

*—Management Expenses.*

1. Directors' Remuneration ... ... ...
2. Directors' Travelling and other allowances ...
3. Managing Agents' ordinary remuneration ...
4. Managing Agents' office allowance ... ...

*Total Management Expenses* ... ...

*TOTAL OPERATING EXPENSES* ...

* Other Items.

| | |
|---|---|
| Medical Expenses | Rs. 1,812-13- 9 |
| Rep. & Mtce. of Buildings (office & residence) | Rs. 406- 6-10 |
| General Charges | Rs. 2,986- 1- 7 |
| Contribution to State Insurance | Rs. 891- 0- 0 |
| Rep & Mtce. of Furniture & office equipment | Rs. 40- 4-10 |
| Resident Engineer's ommission | Rs. 7,528- 0- 0 |
| | Rs. 13,664-11- 0 |

| DESCRIPTION OF ASSETS IN GROUPS AS PER STATEMENT I. | Balance brought forward from last account. | Dep wri dur |
|---|---|---|
| **"ARREARS OF DEPRECIATION" PAID*** | | |
| A.—Intangible Assets ... ... ... ... | | |
| B.—Hydraulic Power Plant ... ... ... ... | | |
| C.—Steam Power Plant ... ... ... ... | | |
| D.—Oil or Gas Power Plant ... ... ... | 2,74,123-14- 9 | |
| E.—Transmission Plant—Extra High Voltage ... ... | | |
| F.—Distribution Plant—High Voltage ... ... ... | 93,650-12- 2 | |
| G.—Distribution Plant—Medium & Low Voltage ... ... | 2,31,103- 4- 9 | |
| H.—Public Lighting ... ... ... ... | 8,072- 0- 6 | |
| J.—General Equipment ... ... ... ... | 58,799-12-10 | |
| *Total Depreciation* ... ... ... | 6,65,749-13- 0 | |

* Balance of arrears of depreciation under the Electricity (Supply) Act, 1948 to be shown in Remarks column.

STATEMENT V.

HE YEAR ENDED 31.3.53.

| ...ars of ...ction ...during ...year. | Withdrawals during the year. | Balance at the end of the year | Remarks. |
|---|---|---|---|
| 616-0-0 | | 2,89,398-14- 9 | 6,261-0-0 |
| 1,221-0-0 | | 1,00,257-12- 2 | 8,223-0-0 |
| 3,011-0-0 | 1,285-0-0 | 2,69,131- 4- 9 | 20,957-0-0 |
| 178-0-0 | | 9,020- 0- 6 | 1,643-0-0 |
| | 963- 0- 2 | 61,481-12- 8 | |
| 5,026-0-0 | 2,248- 0- 2 | 7,19,289-12-10 | 37,084-0-0 * |

## STATEMENT OF CONTINGENCY RESERVE

| PARTICULARS. | Balance at the beginning of the year. | Ap c yea |
|---|---|---|
| | Rs. | |
| | 14,000 | |

## STATEMENT OF TARIFFS AND DIVIDENDS CONTR

| PARTICULARS. | Balance at the beginning of the year. |
|---|---|
| | Rs. |
| | 5,521 |

## OR THE YEAR ENDED...

| ations the ccount | Withdrawals during the year of account | Balance at the end of the year. | Remarks |
|---|---|---|---|
| ... | Rs. | Rs. | |
| | 000 | 17,000 | |

## STATEMENT VII.

## RESERVE FOR THE YEAR ENDED

| propriations ring the of account | Withdrawals during the year of account | Balance at the end of the year | Remarks |
|---|---|---|---|
| Rs. | Rs. | Rs. | |
| 1,000 | " | 3,000 | |

Examined and found correct
subject to my report, dated 7/4/
Audit Officer.

| PARTICULARS. | Amount. Rs. |
|---|---|
| 1. To Balance from last account ... ... | |
| 2. To operating expenses as per Statement IV ... | 7,37,039- 8- 5 |
| 3. To Gratuity to Retired Employees ... | |
| 4. To Bonus to Staff ... ... | 13,136- 6- 0 |
| Contribution to Vallabhbhai Patel National Memorial Fund | 314- 0- 0 |
| 5. To Depreciation as per Statement V ... | 50,762- 0- 0 |
| 6. To Bad debts written-off ... ... | 45- 4- 3 |
| 7. To Taxes on income and profits ... | 25,700- 0- 0 |
| 8. To Reserve for Deferred Taxation ... | 20,000- 0- 0 |
| 9. To instalment of intangible assets written off ... | |
| 10 To Contribution towards Contingency Reserve ... | 3,996- 0- 0 |
| 11 To instalment of contribution towards arrears of depreciation ... ... ... | 5,026- 0- 0 |
| 12 To interest paid and accrued on : | |
| (*a*) Loans advanced by the Provincial Electricity Board ... ... | |
| (*b*) Debentures ... ... ... | 6,875- 0- 0 |
| (*c*) Other secured loans ... ... | |
| (*d*) Loans and advances ... ... | 4,953- 2- 0 |
| (*e*) Consumers' security deposits ... | 4,777-12- 0 |
| (f) (1) Debenture Trustees' Fees | 300- 0- 0 |
| 13. To appropriation towards tariffs and dividends control reserve ... ... ... | 1,032- 0- 0 |
| 14. To Rebate to Consumers ... ... | 1,032- 0- 0 |
| 15. To dividend on Preference Shares ... | [illegible] |
| 16. To dividend on Ordinary Shares ... ... | 56,000- 0- 0 |
| 7. To General Reserve ... ... | Rs.27,934-0-0 |
| " Profit & Loss A/c. | Rs.87,173-8-4 1,15,107- 8- 4 |
| 8. To balance carried over ... ... | 10,46,[illegible] |

FOR THE YEAR ENDED .....

STATEMENT VIII.

Cr.

| PARTICULARS. | | | Amount. Rs. |
|---|---|---|---|
| | General Reserve | Rs. 27,934-0-0 | |
| | Profit & Loss A/c. | Rs. 78,002-2-11 | |
| By Balance from last account ... .. | | | 1,05,936- 2-11 |
| By gross receipts as per Statement III | | | 9,34,204-14- 1 |
| " dividends forfeited .. .. | | | 5,955- 8- 0 |
| By Balance carried over | | | |

| LIABILITIES AND CREDIT BALANCE. | | | Amount. Rs. |
|---|---|---|---|
| 1. Capital paid and appropriated *vide* Statement I. | | | 8,19,592- 3- 3 |
| 2. Creditors due on construction of plant machinery, etc. ... ... ... ... | | | |
| 3. Sundry creditors on open accounts ... | | | 1,14,276- 7-10 |
| 4. Consumers' Security Deposits ... ... | | | 1,72,063- 4- 0 |
| 5. Depreciation Reserve *vide* Statement V ... | | | 7,19,289-12-10 |
| 6. Contingency Reserve *vide* Statement VI ... | | | 17,300- 0- 0 |
| 7. Tariffs and Dividends Control Reserve *vide* Statement VII ... ... ... ... | | | 6,553- 0-0 |
| 8. Rebate to consumers | Balance brought forward | 24,773 | 25,805- 0-0 |
| | *Less*—distributed ... | Nil | |
| | | 24,773 | |
| | Appropriated during the year ... ... | 1,032 | |
| 9. Accounts payable—to be specified .. | | | |
| Reserve for Deferred Taxation ... ... | | | 57,600- 0-0 |
| Reserve for Taxation ... ... | | | 34,364- 1-9 |
| 10. Other current and accrued liabilities to be specified ... ... ... ... | | | |
| Unclaimed Dividends ... ... | | | 16,559-11-0 |
| Interest on Security Deposit ... .. | | | 4,823- 1-0 |
| Loans unsecured | | | 42,675-10-8 |
| Interest on Debentures | | | 3,700- 0-0 |
| 11. General Reserve ... ... ... | | | |
| 12. Reserve for Maintenance of House Services .. | | | |
| 13. Share Premium ... ... ... | | | |
| 14. Balance of net revenue and appropriations | | | |

STATEMENT IX

S ON 31st March 19 53.

| ASSETS AND DEBIT BALANCES. | | Amount Rs. |
|---|---|---|
| . Capital amount expended on work *vide* Statement II ... | | 16,97,950- 9-11 |
| . Capital works in progress ... | | |
| . Stores on hand { ~~Oil~~ ~~Coal~~, Fuel etc. .. | 26,088-5-9 | |
| General Stores & Spare Gear ... | ~~1,85,135-9-9~~ | 2,11,223-15- 6 |
| ~~Goods-in-Transit~~ ... | | |
| . Sundry debtors for amounts paid on account of contracts in course of completion Ord. Cons. 77,846-13-3 Man.Mun. 4,058- 2-6 | 81,904-15-9 | |
| . Sundry debtors for electricity supplied ... | | 81,904-15- 9 |
| . Other Debtors ... | | 6,653- 2-10 |
| **Reserve for Contingencies Investment** | | 13,896- 4- 0 |
| . Securities at Cost ... ... | | 8,750- 0- 0 |
| . Special deposits ... | | |
| . Accounts receivable to be specified .. | | |
| Advance Payment under Sec 18A | | 51,610- 0- 3 |
| Interest Accrued on Investment ... | | 387- 8- 0 |
| . Deferred payments ... | | |
| Advance Payments ... ... ... | | 4,646-14- 7 |
| . Cash at Bank ... ... | | 71,442-12- 1 |
| . Cash in hand ... ... ... | | 1,243- 9- 7 |
| . Balance of net revenue and appropriations account *vide* Statement VIII ... ... | | |

The Mangalore Electric Supply Co.Ltd.

# WORKING SHEET FOR SCHEDULE VI OF THE ELECTRICITY (SUPPLY) ACT, 1948.

*For the* ....twelv.... *months ending* 31st March ..... 19 53

—CAPITAL BASE (CLAUSE XVII—1):

| | | | |
|---|---|---|---|
| Original cost of Fixed Assets ... ... | | | Rs. 16,92,158 |
| Less Contributions made by consumers towards the cost of Construction of service lines constructed after the date of enforcement of the Act ... | | | „ 1,22,017 |
| | | | „ 15,70,141 |
| Cost of Intangible Assets .... ... | | | Rs. |
| Original Cost of Works-in-progress .... ... | | | „ |
| Investments made compulsorily or from contributions towards Depreciation ... ... .... | | | „ 13,896 |
| Working Capital : | | | |
| (*a*) Average Cost of Stores etc., as per Annexure—item C3 .... .... .... .... | Rs. 2,05,842 | | |
| (*b*) Average amount of Cash and Bank balances and call and short-term deposits subject to a maximum of 25% of item 17 below excluding its sub-items (i,) (iv) and (x)—per Annexure—item C4 ... ... ... ... | „ 79,053 | | „ 2,84,895 |
| Total (items 1 to 6) ... ... ... | | | Rs. 18,68,932 |
| *Less*—Depreciation accrued on Fixed Assets ... | Rs. 7,13,727 | | |
| Intangible Assets written off ... ... | „ | | |
| Loans advanced by the Board under First Schedule ... ... .... | „ | | |
| Total (items 8 to 10) ... ... ... | | | „ 7,13,727 |
| CAPITAL BASE (item 7 less item 11) ... ... | | | Rs. 11,55,205 |

—MANAGING AGENTS' REMUNERATION (CLAUSE XIII):

OFFICE ALLOWANCE :

Basis for calculation :

| | | | |
|---|---|---|---|
| (*a*) Operating expenditure as in 17 below : | | | Rs. |
| (i) Distribution and sale of energy ... | | | „ 75,241 |
| (ii) Rents, rates and taxes ... .... | | | „ 4,840 |
| (iii) Interest on Security Deposits ... ... | | | „ 4,778 |
| (iv) Legal charges ... ... ... | | | „ 30 |
| (v) Bad Debts .. ... ... | | | „ 45 |
| (vi) Auditors' Fees ... ... ... | | | „ 1,100 |
| (vii) Other expenses accountable for income-tax purposes ... ... ... | | | „ 1,88,869 |
| (viii) Contributions to Provident Fund, etc. ... | | | „ 8,708 |
| (ix) Total (sub items i to viii) ... ... | | | Rs. 2,83,612 |
| (*b*) Capital expenditure incurred during the year ... | | | Rs. 60,108 |
| (*c*) Computation of Office Allowance : | | | |
| (i) 8% of the first Rs. 1 lakh of (*a*) above i.e. on | Rs. 1,00,000 | Rs. | 8,000 |
| (ii) 5% of the next Rs 2 lakhs of (*a*) above „ „ | „ 1,83,612 | „ | 9,181 |
| (iii) 2½% of the next Rs. 7 lakhs of (*a*) above „ „ | „ | „ | |
| Carried forward ... | Rs. 2,83,612 | Rs. | 17,181 |

| | | | | |
|---|---|---|---|---|
| Brought over | | | Rs. 2,83,612 | Rs. 17,181 |
| ...) $1\frac{1}{2}$% of the excess over Rs. 10 lakhs of (*a*) above i.e. on | | | ,, | ,, |
| | | | Rs. 2,83,612 | Rs. 17,181 |
| ) 4% of the first Rs. 1 lakh of (*b*) above—,, | Rs. | 60,108 | Rs. 2,404 | |
| ) 3% of the next Rs. 2 lakhs of (*b*) above—,, | ,, | | ,, | |
| i) $1\frac{1}{2}$% of the next Rs. 7 lakhs of (*b*) above- ,, | ,, | | ,, | |
| i) 1% of the excess over Rs. 10 lakhs of (*b*) above—,, | ,, | | ,, | Rs. 2,404 |
| | Rs. | 60,108 | | |
| ) *Office Allowance* (sub items i to viii) ... | | | | Rs. 19,585 |
| DINARY REMUNERATION : | | | | |
| ) 10% of the first Rs. 5 lakhs of net profits as defined in Section 87 (*c*) (3) of the Indian Companies Act ... ... i.e. on Rs. | | 1,30,172 | Rs. 13,017 | |
| ) 7% of all net profits in excess of Rs. 5 lakhs —on ,, | Rs. | 1,30,172 | ,, | |
| ) *Ordinary Remuneration* (sub items i and ii) (This is subject to a minimum payment not exceeding Rs. 2/- per annum for each complete thousand rupees of paid-up share and debenture Capital, provided that if the paid-up share and debenture Capital be less than Rs. 5 lakhs it shall be taken as Rs. 5 lakhs and if greater than Rs. 1 crore it shall be taken as Rs. 1 crore.) | | | | Rs. 13,017 |
| ANAGING AGENTS' TOTAL REMUNERA ON (items 13 and 14) ... | | | | Rs. 32,602 |
| AR PROFIT (CLAUSE XVII—2) : | | | | |
| COME FROM : | | | | |
| ) Gross receipts from sale of energy less discounts ... ... ... | | | | Rs. 8,73,578 |
| ) Rental of meters and other apparatus hired for ... | | | | ,, 39,718 |
| Sundry charges, lamps and apparatus ... | | | | ,, 13,505 |
| ) Rents, less outgoing not otherwise provided for ... ... ... | | | | ,, |
| ) Transfer fees ... ... .... | | | | ,, |
| ) Investments fixed and call deposits and Bank balances ... ... | | | | ,, 687 |
| ) Other general receipts accountable for Income-Tax and arising from and ancillary or incidental to the business of electricity supply ... ... | | | | ,, 6,748 |
| ) Total income (sub items i to vii) ... | | | | Rs. 9,34,206 |
| PERATING EXPENDITURE INCURRED ON : | | | | |
| i) Generation and purchase of energy ... | | | Rs. 4,51,370 | |
| i) Distribution and sale of energy ... | | | ,, 75,241 | |
| ) Rents, rates and taxes (excluding taxes on income and profits) ... | | | ,, 4,840 | |
| ) Interest on loans advanced by the Board under First Schedule ... ... | | | ,, | |
| ) Interest on Security Deposits ... ... | | | ,, 4,778 | |
| ) Legal charges ... ... ... | | | ,, 30 | |
| ) Bad Debts ... ... ... | | | ,, 45 | |
| Auditors' Fees ... ... ... | | | ,, 1,10[illegible] | |
| Management including Managing Agents' Remuneration as in (15) above ... | | | ,, 32,602 | |
| Depreciation computed as set out in Sixth Schedule ... ... ... | | | ,, 50,620 | |
| ) Other expenses admissible for Income-Tax and arising from and ancillary or incidental to the business of electricity supply ... | | | ,, 1,33,969 | |
| ) Contributions to Provident Fund, etc ... | | | ,, 8,799 | |
| ) Total operating expenditure(sub items i to xii) | | | | |
| Carried forward ... | | | Rs. 8,18,204 | Rs. 9,34,206 |

| | | | | |
|---|---|---|---|---|
| | Brought over ... | | Rs. 8,18,204 | Rs. 9,34,206 |
| 18. | SPECIAL APPROPRIATIONS : | | | |
| | (i) Previous losses arising from the business of electricity supply .. ... ... | Rs. | | |
| | (ii) All taxes on income and profits ... | „ 45,700 | | |
| | (iii) Instalments of written down amounts in respect of intangible assets and new capital issue expenses ... ... ... | „ | | |
| | (iv) Contribution to Contingency Reserve (not less than ¼% and not more than ½% of item A 1 subject to an overall accumulation of 5% of item A 1) ... ... | „ 3,996 | | |
| | (v) Contribution towards arrears of depreciation | „ 5,026 | | |
| | (vi) Other special appropriations permitted by the Provincial Government ... ... | „ | | |
| | (vii) Total appropriations (sub items i to vi) ... | | Rs. 54,722 | 8,72,926 |
| 19. | CLEAR PROFIT—Items [16 – (17 + 18)]. | | | Rs. 61,280 |
| | D—REASONABLE RETURN (CLAUSE XVII-9): | | | |
| 20. | Return on "Capital Base" as in 12 above @ 5% F.O.T. i.e. 5/100 × [illegible] @ 5% ... | | | Rs. 57,760 |
| 21. | Income from investments other than those made from contribution to contingencies reserve ... | Interest on Debentures for Rs. 8,500 | | „ 425 |
| 22. | 0.5% on loans advanced by the Board under First Schedule i.e. on Rs. ... ... | | | „ |
| 23. | REASONABLE RETURN (items 20 to 22) ... | | | Rs. 58,185 |
| | E—TARIFF AND DIVIDEND CONTROL RESERVE : | | | |
| 24. | Excess, if any, of clear profit over Reasonable Return (item 19 less item 23) ... ... | | | Rs. 3,095 |
| 25. | ⅓ of item 24 (subject to a maximum of 7½% of Reasonable Return and other provisions of the Sixth Schedule) ... ... ... | | | „ 1,031 |
| 26. | Balance (item 24 less item 25) ... ... | | | Rs. 2,064 |
| 27. | TARIFF AND DIVIDEND CONTROL RESERVE (½ of item 26) .... ... ... | | | Rs. 1,032 |
| | F—BALANCE AVAILABLE FOR PROPORTIONATE REBATE TO CONSUMERS OR CARRY FORWARD : ... ... | | | |
| 28. | Same as item 27 ... ... ... | | | Rs. 1,032 |
| | G—SUM AVAILABLE FOR DISPOSAL BY UNDER TAKING : | | | |
| 29. | Reasonable Return—item 23 ... .... | | | Rs. 58,185 |
| 30. | Amount as in item 25 ... ... | | | „ 1,031 |
| 31. | Maximum sum permitted by Act for disposal by undertaking (items 29 and 30) ... .... (If clear profit does not exceed Reasonable Return actual sum available is limited to clear profit—item 19.) | | | Rs. 59,216 |

Signed on behalf of
THE MADRAS ELECTRIC SUPPLY CO. LTD.
OCTAVIUS STEEL & CO. LTD.

Director

*Working Capital (vide Item No. 6 of the Working Sheet)*

*For the*.....Twelve.....*months ending*.....31st March.....19 53

ONTHLY BOOK COST OF STORES, MATERIALS, SUPPLIES AND CASH AND BAN NCES AND CALL AND SHORT-TERM DEPOSITS :

| | *Stores* | Loose *Tools* | *Cash and Bank Balances, etc.* |
|---|---|---|---|
| As at .... General Stores | Rs. 1,02,107 | Rs. 327 | Rs. |
| As at .... Spare Gear .... | „ 69,907 | „ | „ |
| As at .... Oil Fuel .... | „ 27,501 | „ | „ |
| As at .... Petty Cash .... | „ | „ | „ 1,010 |
| As at ... Imperial Bank of... | „ | „ | „ |
| As at .... India, Calcutta .... | „ | „ | „ 1,643 |
| As at ... Imperial Bank of... | „ | „ | „ |
| As at ... India, Mangalore .... | „ | „ | „ 65,045 |
| As at ... Do. Div. Calcutta | „ | „ | „ 21,217 |
| As at ... ... ... Mangalore | „ | „ | „ 2,364 |
| As at .... Deposits ... | „ | „ | „ 6,993 |
| As at ... .... .... | „ | „ | „ |
| Totals (items 1 to 12 above) ... | Rs. | Rs. | Rs. |
| One-twelfth of the totals as in 13 above | Rs. 2,05,515 | Rs. 327 | Rs. 98,272 |

MAXIMUM LIMIT ALLOWED FOR CASH AND BANK BALANCES, ETC. :

| | | |
|---|---|---|
| Total operating expenditure as in Clause 17 (xiii) per Working Sheet ... ... ... | | Rs. 8,18,204 |
| *Less*—Generation and purchase of energy as in C17 (i) ... | Rs. 4,51,370 | |
| Interest on loans advanced by the Board under First Schedule as in C17 (iv)... | „ | |
| Depreciation as in C17 (x) | „ 50,620 | |
| Total deductions (items B-2 to 4) ... ... | | „ 5,01,990 |
| Balance of operating expenses (item B-1 minus B-5) | | Rs. 3,16,214 |
| *Maximum limit* of 25% of item B-6 above ... | | Rs. 79,053 |

WORKING CAPITAL :

| | |
|---|---|
| Average Book Cost of Stores as in A-14 above ... | Rs. 2,05,515 |
| Average Book Cost of Tools as in A-14 above ... | „ 327 |
| Total of items C1 and C2 .... .... | Rs. 2,05,842 |
| Average Cash and Bank Balances and Call and Short-Term Deposits as in A-14 or B-7 above .... | 79,053 |
| *Working Capital* (items C3 and C4) .... .... | Rs. 2,84,895 |

# The Mangalore Electric Supply Co. Ltd.

## Capital Base.

### Original Cost of Fixed Assets.

| | | |
|---|---|---|
| Fixed Assets as per Schedule | | 13,98,814 |
| House Services A/c. (as per Balance Sheet) | | 2,70,352 |
| Fixed Tools | do. | 8,005 |
| Motor Car & Cycle | do. | 13,484 |
| Motor & Auxiliary Gear | do. | 2,003 |
| | | 16,92,158 |

### House Service Receipts A/c.

| | | | |
|---|---|---|---|
| Balance as at 31.3.52 | | 95,296 | |
| Additions during the year | | 26,721 | 1,22,017 |
| Investment made compulsorily or from contribution towards Depreciation | 8,750 | | |
| | 13,896 | For capital Base | 22,646 |

### Working Capital

| | | |
|---|---|---|
| (a) Average cost of stores etc. as per Annexure Item No. 3 | 2,05,842 | |
| (b) Average amount of cash and Bank Balances and call and short term deposits subject to a maximum of 25% of item 17 below excluding its sub-items (i) and (x) per Annexure - item C4 | 79,053 | 2,84,895 |
| | 79,068 | 2,84,910 |

| | | |
|---|---|---|
| Less Depreciation | | |
| as per schedule | 6,34,171 | |
| House Services | 67,788 | |
| Fixed Tools | 6,739 | |
| Motor Car and Cycles | 3,513 | |
| Motor and Auxiliary Gear | 1,516 | 7,13,727 |

Managing Agents' Remuneration

Office Allowance

Basis for calculation.

| | | |
|---|---|---|
| (i) Distribution and sale of energy as per Revenue (Dis - Sal & wages) | 39,560 | |
| Public Lighting | 11,743 | |
| Consumer's services, Accounts etc. | 23,938 | |
| | 75,241 | |

| | | |
|---|---|---|
| ii) Rents, Rates & Taxes | | |
| Rates and Taxes | 1,275 | |
| Rents & Way Leaves | 3,565 | |
| | 4,840 | |

| | |
|---|---|
| accountable for Income Tax purposes as per Revenue. | |
| Salaries for General Officers and Executives | 23,036 |
| Other General Office Salaries | 5,700 |
| Travelling and other expenses of officers and staff | 1,098 |
| Stationery and Printing | 3,779 |
| Telephone | 1,275 |
| Postage and Telegrams | 959 |
| Insurance | 9,38 |
| Electricity Duty | 1,00,79 |
| Medical Expenses (~~Office & Res.~~) | 1,81 |
| Rep. and Mtce of Buildings (Office & Res.) | 40 |
| General Charges | 2,98 |
| ~~Assistant~~ Resident Engineer's Commission | 7,52 |
| Contributions to State Insurance | 89 |
| Rep.& Mtce. of Office Equipment | 4 |
| Interest | 4,95 |
| Directors' Remuneration | 3,60 |
| Debenture Interest | 6,87 |
| Debenture Trustees Fees | 30 |
| Bonus to Employees | 13,13 |
| Contribution to Vallabhbhai Patel National Memorial Fund | 31 |
| | 1,88,86 |

13(b) Capital Expenditure during the year.

| | | |
|---|---|---|
| s per schedule | Rs. | 28,413 |
| House Services | " | 31,695 |
| Loose Tools | " | 39 |
| | Rs | 60,147 |
| Les Loose Tools | | 39 |
| | Rs. | 60,108 |

**sident Engineer's Commission.**

| | | |
|---|---|---|
| lance as per Revenue | | Rs. 1,36 |
| [illegible] Commission | Rs. 7,528 | |
| M.A. Commission | Rs. 13,017 | |
| Electricity Duty | Rs. 1,00,794 | Rs. 1,21 |
| | | .2,57 |
| ss Arrears of Depreciation | Rs. 5,026 | |
| Contribution to Vallabhbhai Patel National Memorial Fund | Rs. 314 | |
| Interest on securities etc. | Rs. 657 | |
| Interest on [illegible] | Rs. 1,049 | Rs. 7, |
| | | Rs. 2,50, |

3% on Rs. 2,50,92[illegible] - Rs. 7,528/-

---

**naging gents' Commission**

| | | |
|---|---|---|
| lance as per Revenue | | Rs. 1,36, |
| M.A. Commission | Rs. 13,017 | Rs. 13, |
| | | Rs. 1.49, |
| ss Arrears of Depreciation | Rs. 5,026 | |
| Dep. Trustees' Fees | Rs. 300 | |
| Bonus to Employees | Rs. 13,136 | |
| Contribution to Vallabhbhai Patel National Memorial Fund | Rs. 314 | |
| Loss on Assets | Rs. 696 | Rs. 19,47 |
| | | Rs. 1,30,17 |

10% on Rs. 1.30.172 - Rs. 13.017

Clear Profit.

16. Income from Gross Receipts

| | |
|---|---|
| (1) From Sale of energy | Rs. 39,718 |
| (2) Rental of meters | Rs. 13,505 |
| (3) | Rs. 657 |
| (6) | Rs. 6,748 |
| (7) | |
| | Rs. 60,628 |

(7) Other General Receipts -

| | |
|---|---|
| Other Receipts | Rs. 2,241 |
| Sundry sales miscellaneous receipts | Rs. 4,506 |
| | Rs. 6,748 |

17. Operating expenditure incurred on

| | |
|---|---|
| (1) Generation | Rs. 4,17,051-7-2 |
| " (Maintenance) | Rs. 34,318- 2-7 |
| | Rs. 4.51,369-9-9 |
| | i.e. Rs. 4,51,370 |

ix) Management including Managing Agents' Remuneration as in (15)

| | |
|---|---|
| Managing Agents' Remuneration | Rs. 13,017 |
| Managing Agents' office allowance | Rs. 19,584 |
| | Rs. 32,601 |

The Mangalore Electric Supply Co.Ltd.

Statement of Average Balance as at 31.3.53

| Total Monthly Average balances for 12 months from April 52 to March 53 | | | | Average Balan as at 31.3.53 |
|---|---|---|---|---|
| Rs. 3,30,007-13- 0 | ÷ | 12 | - | Rs. 27,500-10- 0 |
| Rs. 12,97,278-12- 9 | ÷ | 12 | - | Rs. 108,106- 9- 0 |
| Rs. 8,38,885- 7- 2 | ÷ | 12 | - | Rs. 69,907- 1-11 |
| Rs. 3,925- 9- 0 | ÷ | 12 | - | Rs. 327- 0- 0 |
| Rs. 19,713.12. 0 | ÷ | 12 | - | Rs. 1,642-13- 0 |
| Rs. 7,80,540-15-11 | ÷ | 12 | - | Rs. 65,045- 1- 4 |
| Rs. 2,54,601- 1- 0 | ÷ | 12 | - | Rs. 21,216-12- 1 |
| Rs. 28,364- 0- 0 | ÷ | 12 | - | Rs. 2,363-10- 8 |
| Rs. 83,916-14- 3 | ÷ | 12 | - | Rs. 6,993- 1- 2 |
| Rs. 12,121- 9- 8 | ÷ | 12 | - | Rs. 1,010- 0- 0 |

...e Mangalore Electric Supply Co.Ltd.

Taxation Reserve Statement for the year 1952-53.

| | | | |
|---|---|---|---|
| alance as per Revenue A/c. | | | Rs. 1,36,625- 0- ( |
| dd Depreciation | | | Rs. 50,620- 0- ( |
| | | | Rs. 1,87,245- 0- ( |
| ess Bonus to Employees | | Rs. 13,136-0-0 | |
| Interest on Securities | | Rs. 657-0-0 | |
| Debenture Interest | | Rs. 6,875-0-0 | |
| Debenture Trustees' Fees | | Rs. 300-0-0 | |
| Contribution to Vallabhbhai Patel National Memorial Fund | | Rs. 314-0-0 | Rs. 21,282- 0- ( |
| | | | Rs. 1,65,963- 0- ( |
| ess Depreciation allowable | | | Rs. 1,03,293- 0- ( |
| | | | Rs. 62,670- 0- ( |
| ess loss u/s 10(2) vii | | | Rs. 804- 0- ( |
| | | | Rs. 61,866- 0- ( |
| dd Interest on securities | | | Rs. 625- 0- ( |
| | | Total Income | Rs. 62,491- 0- ( |

Assessment under section 23(3)

| | | |
|---|---|---|
| ncome Tax @ -/4/- on Rs.62,491 | | Rs. 15,623- 0- 0 |
| dd 5% Surcharge on Rs.15,623 | | Rs. 781- 0- 0 |
| dd Super Tax on Rs.62,491 @ -/2/9 | | Rs. 10,741- 0- 0 |
| | | Rs. 27,145- 0- 0 |
| Dividend declared | | Rs. 56,000- 0- 0 |
| | | Rs. 83,145- 0- 0 |
| ess Total Income | | Rs. 62,491- 0- 0 |
| | | Rs. 20,654- 0- 0 |
| ncome Tax and Super Tax | | Rs. 27,145- 0- 0 |
| xcess Dividend at -/1/- on Rs.20,654/- | | Rs. 1,291- 0- 0 |
| | | Rs. 28,436- 0- 0 |
| alance as per ledger as at 31.3.53 | Rs. 8,664-1-9 | |
| ess Amount to be paid for the assessment year 1952-53 | Rs. 5,812-1-0 | Rs. 2,852- 0- 9 |
| ess over-provided in 1951-52 | Rs. 2,852-0-9 | |
| | | Rs. 25,584-15-3 |
| | Say | Rs. 25,700- 0- 0 |

The Mangalore Electric Supply Co. Ltd.

Deferred Taxation Reserve - 1952-1953.

| Heads of Accounts | Additional Rate. | Addl. Depre. of Assets from 1.4.48 to 31.3.52 | Addl. Depre. of Assets from 1.4.52 to 31.3.53 | Initial Depreciation. |
|---|---|---|---|---|
| Building - Factory | 5% | 60/- | 16/- | 559/- |
| Building Non-Factory | 2½% | 23/- | 1/- | 30/- |
| Mains - Underground | 7½% | 312/- | 42/- | 140/- |
| Mains - Overhead | 5% | 4,189/- | 131/- | 664/- |
| Machinery, Meters etc. | 10% | 20,827/- | 807/- | 3,899/- |
| House Services | 5% | 5,592/- | 852/- | 6,339/- |
| Motor Car | 20% | 1,376/- | - | - |
| | | 32,379/- | 1,849/- | 11,631/- |

| | | | |
|---|---|---|---|
| Additional Depreciation of Assets from 1.4.48 to 31.3.52 | Rs. | Rs. 32,379/- | |
| Additional Depreciation of Assets from 1.4.52 to 31.3.53 | | Rs. 1,849/- | |
| | | Rs. 34,228/- | |
| Income Tax on Rs. 34,228/- @ -/4/- | | Rs. 8,557/- | |
| Surcharge on Rs. 8,557/- @ 5% | | Rs. 428/- | |
| Super Tax on Rs. 34,228/- @ -/2/9 | | Rs. 5,883/- | Rs. 14,868- 0- |
| Income Tax on Rs. 11,631/- @ -/4/- | | Rs. 2,908/- | |
| Surcharge on Rs. 2,908/- @ 5% | | Rs. 145/- | |
| Super Tax on Rs. 11,631/- @ -/2/9 | | Rs. 1,993/- | Rs. 5,052- 0- |
| | | | Rs. 19,920- 0- |
| | | Say | Rs. 20,000- 0- |

(7)

P.W.D. (P.I

ELECTRICITY - Mangalore Electric lice
Accounts for 1952-53 - Audit report -
Recorded with remarks.

- - - - - - - - - - - - - - - - - - - -

Read:-

From the C.E.I.G. No.230-A.0/53-6
dated 17.11.54.

....

G.O.MS.NO. 4380 DT. 14-12

R E C O R D E D.

2. Paras 4 (b), 6 (d), 13 and 14 of the audit report.

The licensee is requested to note the remarks of the Audit officer and action as indicated by him.

3. According to Cl.I of the Sixth Schedule to the Elecy. (Supply) Act, 19 the licensee shall so adjust his rates the rate of elecy. by periodical revis that his clear profit in any year shal not exceed the reasonable return by mo than 30% of the reasonable amount. Dur the year under review, the licensee ha earned a clear profit of Rs.81,716/- as against a reasonable return of Rs. 58,179/- The excess earnings over the reasonable return works out to 40.46%. It is observed from the above that the licensee has failed to adjust his rate of supply of elecy. to his consumers a that there is, therefore, scope for the Government to consider the appointment of a Rating Committee under Sec.57 (2) of the Elecy. (Supply) Act, 1948. The Government, however, do not propose to t such drastic action at present. The licensee is, therefore, advised to take ... not to exceed the permissible pro fits in future, so that the consumers

-2-

are not [illegible].

4. [illegible] Rs.[illegible]/-
([illegible])
being the [illegible] out. It
is [illegible] Inter[illegible]
for [illegible] the [illegible]
The [illegible]
incurred [illegible]
[illegible]
[illegible]

[illegible]

[illegible]

[illegible]

2. It is [illegible] that the S.T.I.O. has [illegible] that the Govt. may consider [illegible] of [illegible] - rate [illegible] - Rutlocrin Rs. [illegible]. Under [illegible] by [illegible] this [illegible] (D)'s remarks [illegible] these cases.

[illegible]

[illegible] b.

# THE MANGALORE ELECTRIC SUPPLY CO., LTD.

*Managing Agents:*
OCTAVIUS STEEL & CO., LTD.

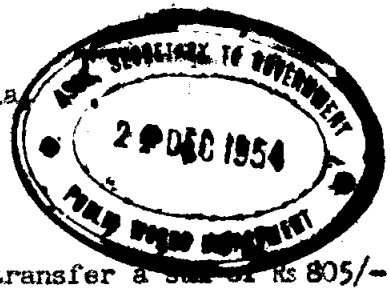
POST BOX No. 55
14, OLD COURT HOUSE STREET,

GRAMS: "LAPIZANDO, CALCUTTA."
*Phone No. City 1146 (2 Lines)*

*Calcutta 1,* 22nd December, 1954

*Ref. No.* MAN.A/c.130/1.

58111




The Agent,
Imperial Bank of India,
Mangalore.

Dear Sir,

Please transfer a sum of Rs 805/- from the Company's Current Account with your Bank to the credit of the Chief Electrical Inspector to the Government of Madras, under the head "XIII-Other Taxes and Duties - B. Receipts from Electricity Duties - b. Other Receipts - Fees for auditing the accounts of Licensees" in payment of the bill No.128 of 4.11.54 of Government of Madras - Electricity Department.

Kindly advise us and the Chief Electrical Inspector to Government of Madras, 157, Mount Road, Madras, after the transfer has been effected.

Yours faithfully,
OCTAVIUS STEEL & CO.LTD

MANAGING DIRECTOR.
MANAGING AGENTS.

BM.

Copy to:- The Chief Electrical Inspector to Government,
157, Mount Road, Madras-2
for information.

The Assistant Secretary to Government,
Public Works Department,
Government of Madras, Madras
for information.

Form No.

# THE MANGALORE ELECTRIC SUPPLY CO., LTD.

*Managing Agents:*
IS STEEL & CO., LTD.

'LAPIZANDO, CALCUTTA."
: No. City 1146 (2 Lines)

POST BOX No. 55
14, OLD COURT HOUSE STREET,

*Calcutta 1,* 9th February, *19*

*Ref. No.* MAN.A/c.147/5-B.

REGTD.

The Deputy Secretary to Government,
Public Works Department,
Madras.

Dear Sir,

Accounts for the year ended 31. 3. 53.

With reference to your G.O.Ms.No.4380 of 14th December, 1954 re. above we have to submit our comments on the points raised by the Government Auditor as hereunder :-

Item 4(b): Managing Agents Office Allowance - Rs 17,181-0-0.

We agree that Rs 3,600/- should come within the scope of 'Management Expenses'. Adjustment is being made in the Company's Accounts in respect of above and Rs 4/- on account of Depreciation of Loose Tools.

We cannot however agree to the suggested adjustment in respect of contribution to Vallabhai Patel Memorial Fund - Rs 314/-, as this definitely comes within the scope of paragraph XVII(2)(b)(xi) of the Sixth Schedule to the Electricity(Supply)Act,1948 because the payment had been made in response to an appeal sponsored by the Government of India, to all business undertakings including Electrici Supply Undertakings in India.

Item 6(d): Interest on Loans - Rs 4,953-2-0.

The Duties of the Managing Agents of the Company for which they are entitled to ordinary remuneration are defined by the Managir Agency Agreement and the Articles of Association of the Company. We have to point out that to stand as Guarantor to any loan given to the Company does not fall within the scope of the duties of the

duties of the Managing Agents. The payment of commission to the Managing Agents in consideration of risk undertaken by them in guaranteeing the loan to the Company is therefore fully valid under the Electricity (Supply) Act,1948 and the Indian Companies Act.

Item 7: Capital Base:

On the basis of our comments on item 4(b) above, necessary adjustments will be made in the accounts of this Company.

Item 9: Clear Profit:

With regard to the Auditors' comment on Deferred Taxation we would refer you to our letter No.MAN.A/c. of 14th October,1954. Other points have already been dealt with above.

We hope you will now agree that the excess Clear Profit of the Company over its Reasonable Return for the year under reference is far below thirty per cent of the Reasonable Return.

Yours faithfully,
OCTAVIUS STEEL & CO.LTD

BM.

MANAGING DIRECTOR.
MANAGING AGENTS.

To

The Mangalore Electric Supply Co. Ltd.,
Post Box No. 55
14, Old Court House Street,
Calcutta – 1

Gentlemen,

Sub: Mangalore Electric licence –
Accounts for 1952-53 –
Audit report.

Refer: Your letter No. Man. A/c. 147/5-B
d. 9-2-55

I am directed to request you to furnish copies of the Managing Agency Agreement and the Articles of Association of the Company referred to in your reply to para 6 (d) of the audit report on the accounts of the Mangalore Electric licence for 1952-53, for reference.

AJ
24/3/55

N.B. It is the letter from the licensee on pp 1-3 c.f. and the C.E. & G's remarks thereon on p. 5 c.f. With refce. to the C.E.I.G's recommendation at B on p. 5 c.f., it appears necessary to get copies of the papers referred to at A on p. 1 c.f.

[illegible] assessment the matter is proposed by the [illegible]

The [illegible] containing the [illegible]'s letter dated [illegible] at [illegible] on p [illegible] [illegible] lying [illegible] pending [illegible] of views on the general question whether the Inspectors may be allowed to make suitable financial apportionment from revenue in pursuance of Officers' [illegible] in the circumstances the Inspectors' replies in respect of all the points raised on pp 1 - 3 [illegible] may be examined with the papers referred to [illegible] A on p 1 [illegible] have been received

The draft received in for approval

# THE MANGALORE ELECTRIC SUPPLY CO., LTD.

*Managing Agents :*

CTAVIUS STEEL & CO., LTD.

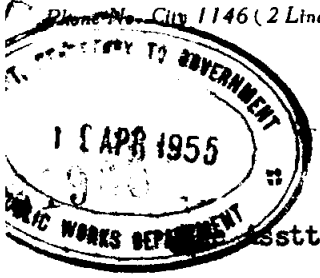
POST BOX No. 55

14, OLD COURT HOUSE STREET,

GRAMS : "LAPIZANDO, CALCUTTA."

*Phone No. City 1146 ( 2 Lines )*

*Calcutta 1,* 13th April, 195




*Ref. No.* MAN.A/c.14/5-B.

REGTD.
ENCLO

Asstt.Secretary to
Government,
Public Works Department,
Madras.

Dear Sir,

With reference to your letter No.11330-P/55-2 of 26.3.55, we, as desired, enclose the copies of the Managing Agency Agreement and the Articles of Association of this Company.

Kindly acknowledge receipt.

Yours faithfully,
OCTAVIUS STEEL & CO.LTD

MANAGING DIRECTOR.
MANAGING AGENTS.

EM.

ellar no. 11330-P/55-3 dt 9.5.55

The Mangalore Electric
Supply Co. Ltd.,
14, Old Court House St.,
Calcutta-1

Gentlemen,

Subs: Elect. Mangalore
Electric Licence -
Accounts for 1952-53
Audit report.

Ref: Your cr. no. MAN. A/c
14/5.6 dt 13.6.55.

I am directed to acknow
ledge receipt of copies of the

Lr. Nr. D.[illegible]-E/55-7 Dt. 21.7.55

To

The Mangalore Electric Supply
Co.Ltd.,
P.B.No.,
14, Old Court House St.,
Calcutta-1.

Gentlemen,

Sub: Electricity - Mangalore Electric
Licence - Accounts for 1952-53
Audit report - Replies.

Ref: Your Lr. No. M/A/C.147/5-B
dt.C.7.55.

....

With ref. to your reply in regard to the adjustment to be made in the sanctioned Agents' office allowance, in respect of the contribution to Vallabhai Patel Memorial Fund, as suggested by the Audit Officer in para 4(b) of the audit report, on the accounts of the Mangalore electrical undertaking for the year 195[illegible], I am directed to say that your argument is not correct, as according to the provisions in para 11(2)(b)(xi) of the Sixth Schedule to the Elecy. (Supply) Act, 1948, the expenditure should also arise from and be ancillary or incidental to the business of elecy. supply.

2. Your reply to para 5(d) of the audit report under reference is accepted.

3. As regards your explanation with ref. to the comments of the Audit Officer in regard to the provision of 'Uniform taxation reserve', I am to invite your attention to Govt.'s Lr. No. D.[illegible]-E/55-2 Dt., 24-7-55

/

...expenditure intended to facilitate
...which of capital for the under-
...taking.

17.7.55.

20/7/55

Public Works Department.

Letter No.60894-P/54-2.

From

Sri C.P. Kelu Brady, B.A.,
Deputy Secretary to Government.

To

The Mangalore Electric Supply Co., Ltd.,
P.B.No.55,
14, Old Court House Street,
CALCUTTA.1.

Dated, Fort St. George, the 21st July, 195

Gentlemen,

Sub: ELECTRICITY - Mangalore Electric Licence - Accounts for 1951-52 - Deferred taxation reserve - Provision of.

Ref: Your Letter No.MAL.A/C, dated 14.10.54.

****

I am directed to state that no specific mention having been made in the proposed Bill to amend the Electricity (Supply) Act, 1948, referred to in your letter cited, in regard to the date from which the amendments will take effect, it has to be assumed that the amendments will be effective only from the date of passing of the Bill and will not have retrospective effect. In the circumstances, I am to state that the instructions of the Government in regard to the provision of deferred taxation reserve in the accounts of the Mangalore Electric Licence for the year 1951-52 do not need any revision. If you do not agree, you may take up the matter for arbitration as already informed. I am to point out, in this connection, that in the case of all the licensees in the State, only actual tax liability is being allowed as an item of expenditure, ever since the Electricity ( Supply) Act, 1948, came into force and all the other licensees have accepted this position.

Yours faithfully,

(Sd.) C.P.Kelu Brady,

Deputy Secretary to Government

Copy to the Chief Electrical Inspector to Government, with reference to his Letter No.480-A .0/52-16,d/22.11.54.
Copy to P-1 Section for C.No.11330-P/55.

Forwarded/By Order,

Sub:- Electricity - Mangalore Electric Licence - Accounts for 1952-53 - Audit report - Replies.

Read:- G.O.Ms.No.4380, P.W., dated 14-12-1954.

Ref:- From the Mangalore Electric Supply Co. Ltd. Ref.No.MAN/A/c.147/5-B dated 9-2-1955.
Endt. to the C.E.I.G. No.11330-P/55-1, P.W. dated 15-2-1955.
From the C.E.I.G. Letter No.230-A.0/53-9, dated 3-3-1955.
Letter to the Mangalore Electric Supply Co. Ltd. No.11330-P/55-2, P.W., d/26-3-5
From the Mangalore Electric Supply Co.Ltd. Ref.No.MAN.A/c.14/5-B dated 13-4-1955.

-:-

In connection with the audit of the accounts of the Mangalore Electrical undertaking for the year 1952-53, the Audit Officer raised certain objections. With reference to those comments of the Audit Officer and based on the recommendations of the C.E.I.G., suitable instructions were issued ~~xxx~~ by the Government to the Mangalore electric licensee. The licensee has now submitted his repl to the various points raised by the Audit Officer in the audit report - vide pp.1-3 c.f. The C.E.I.( report in the matter will be found on p. 5 c.f.

2. During the year under reference, in calculating the Managing Agents' Office allowance on operating expenditure, the licensee calculated office allowance on the Director's remuneration of Rs.3,600/- and on the contribution of Rs. 314/- to the Vallabhai Patel Memorial Fund made by him. The Audit Officer pointed out that the Director's ~~xxxx~~ remuneration of Rs.3,600/- was only an expendi ture relating to management and should be excluded. He also pointed out that the contribution made by the licensee to the Vallabhai Patel Memorial Fund, was not an expenditure arising from and ancillary o incidental to the business of electricity supply an so should be execluded. The Audit Officer further added that the licensee took Rs.71/- being depreciа

liture and that this amount should also be excluded for the calculation of office allowance The Audit Officer suggested that the licensee might be advised to recover the sum of Rs.200/- (i.e. 5% on the amount referred to). The licensee was instructed to take action as indicated by the Audit Officer.

3. The licensee has now stated that necessary adjustments are being made in the accounts of the undertaking with reference to the remarks of the Audit Officer at 'A' and 'B' on pp.1-2 above. No further action is therefore called for on these. As regards 'C' on p. 1 ante, the licensee has stated that he cannot agree to the suggested adjustment in respect of this contribution as the contribution made by him to the Vallabhai Patel Memorial Fund comes within the scope of para XVII(2)(b)(xi) of the Sixth Schedule to the Electricity (Supply) Act, 1948, because the payment had been made by him in response to an appeal sponsored by the Government of India. The C.E.I.G. has pointed out that this argument of the licensee is not correct as the expenditure should also arise from and be ancillary or incidental to the business of electricity supply. The C.E.I.'s views may, perhaps, be accepted and the licensee may be informed accordingly.

4. Another point raised by the Audit Officer in the audit report under reference was in regard to the payment of Rs.1,500/- made by the licensee to the Managing Agents as guarantee commission at 1% on cash credit account with the Bank of India Ltd. The Audit Officer was of the view that the Managing Agent was not justified in taking this payment apart from the remuneration provided for in para XIII of the Sixth Schedule to the Supply Act. The A.O. suggested that the licensee might be advised to recover Rs.1500/-

from the Managing Agents. The view of the Audit Officer, which was endorsed by the C.E.I.G. was accepted and the licensee was asked to take action as indicated by the Audit Officer. With reference to these instructions, the licensee has stated that the duties of the Managing Agents of the Company for which they are entitled to ordinary remuneration are defined by the Managing Agency greement and the Articles of Association of the mpany. He has also pointed out that to stand as arantor to any loan given to the company does not ll within the scope of the duties of the Managin ents and that, therefore, the payment of commissi the Managing Agent in consideration of risk dertaken by them in guaranteeing the loan to the mpany is fully valid under the Electricity (Suppl t, 1948 and the Indian Companies Act. Para XIII the Sixth Schedule to the Electricity (Supply) t provides the maximum payable to the Managing ents by way of commission and office allowance. e C.E.I.G. has pointed out that only these are to taken into account for determining the clear ofit of the licensee and so the payment of guaran· e commission ~~was~~ had to be disallowed. ~~The C.E.I.C.~~ He has wever suggested that legal opinion may be obtaine the matter as the point has been disputed by the censee. Attention is in this connection invited the copies of the Managing Agency agreement and e Articles of Association of the Mangalore Electr pply Co. Ltd. at (B). I.L.C. may see for remarks th reference to 'A' above and Law Dept. may be uested to advise in the matter.

5. As regards paras 9, 13 and 14 of the audit port, it is submitted that there is a dispute pending between e licensee and the Govt. in regard to the Govt.'s structions on "Deferred taxation reserve". No

action is therefore called for on 'X' on p. 3 c.f. now.

6. The file may be sent to ILC and Law with reference to para 4 on pp.2-3 ante.

21.5.55

24/5/55

23/5/55

26/5/55

P.W.D. No. No-11330-P/55-4
26 5.55

ILC 4999/D1/55

27 MAY 1955

I.L.C.(DI) Dept.

The Notes of Public Works Department from page 1 above may be perused.

The case has been sent to this Department with reference to M on page 3 ante, cf. and A on p.3 regarding the payment of commission to the Managing Agent, so far as the Indian Companies Act 1913 is concerned. Section 87(c) of the above Act which relates to remuneration of managing agents is not quite specific on the point, and it does not seem to contemplate payment of guarantee commission of the kind referred to in this case. However, as the point is disputed by the licensee, this department may agree with the P.W.D., and request Law Department to advise in the matter. With the above remarks the case may be sent to Law

* pp.73-74 of Book

6 JUN 1955
7698

3/6/55

Law

I.L.C. No. 4999/55-1
97.3.6

Law(Opinions)Department.

Paragraph 105 of the Articles of Association at pp.35-37 c.f. of (B) sets out the powers and duties of the Managing Agents. Sub paragraph (14) states that the Managing Agents can with the sanction of the Directors advance moneys to the Company with or without security and at such rate of interest and on such terms as may be agreed upon. It is significant that it is no part of the duties of the Managing Agents to guarantee the loan advanced to the Company by anyone else. It, therefore, follows that the remuneration payable to the Octavious Steel Co.,Ltd. qua Managing Agents will not include the commission for the extra work or risk taken by them in guarantee ing the loan to the undertaking. The supplemental agreement at pp.7-9 of (B) only regulates the remuneration payable to the Managing Agents for their services as Managing Agents in accordance with section 57 of the Electricity (Supply) Act,1948, (Central Act LIV of 1948) of the VI Schedule to that Act. It will have no bearing on the question at issu which is related to the payment of commission for work done outside the scope of their normal duties as a Managing Agents. Nor does sec.87 Cof of the Indian Companies Act, 1913, in any way militate against the grant of commission to the Octavious Steel Co.,Ltd for guaranteeing the loan advanced to the undertaking There is, therefore, no justification for disallowing this item of expenditure. This is really an expenditure intended to facilitate the raising of capital for the undertaking.

16/17 20/6/55

the circumstances stated therein, the reply of the licensee to para. 6(d) of the audit report may be accepted. The file referred to in para. 5 at pp. 3-4 ante is being submitted separately. Action req. x at p. 3 cf. may be taken up after orders are issued in the file referred to. S.L.C. Deptt. may, in the meanwhile, see the notes of Law Deptt. at p. 5 ante.

pp 1-3;
Bar p 6 (H)

27.6.55.
27/6/55

27.6.55

P.W.D. Secs. No. 11330-P/55-6
27-6-55.

SLC

ILC 60241

ILC (DI) Deptt.

Previous notes of this Deptt. at p. 4 ante. The further notes of Law and P.W.D. from p. 5 above may be perused, and the file returned to P.W.D.

28 JUN 1955
DEPARTMENT OF INDUSTRIES, LABOUR AND

29.6.55
29.6.55

V.I.7.

27/7/55

DS.

ILC. No. 60241
4.7.55

Please see the notes of S.L.C. Deptt. below.

2. As req. x at p. 3 cf., attention is invited to the notes at pp. 1-5 nf. [Specially to paras. 4-7 at pp. 3-5 nf.] and the draft letter in the Top file (C.No. 80894-P/54), in regard to the accounts of the Kanpalore elect. undertaking for the year 1951-52. The decision in that file will apply equally to this case also. In the circumstances, with ref. to x at p. 3 cf., the attention

PWD 35835 (41)
4 JUL 1955
PUBLIC WORKS DEPARTMENT

of the licensee may be drawn to the proposed reply in the top most file.

3. Subject to orders on the proposal in para. 2 above and with ref. to the orders passed at "Z" on p. 2 ante and with ref. to "P" on p. 6 ante a draft letter is subd. below for consideration. As regards "B" on p. 5 cf., the CEIO. may, perhaps, be informed that the legal aspect of the question was examined by the Govt. before they arrived at the decision at "A" on p. 5 ante. Draft II below provides for this.

4. After issue of the drafts below, the pp. may be filed with the CIO. at (A).

17.7.55

18/7/55

20/7/55

20/7/55

[Issued as Lr. No. 11330-P/55-7, P.W., dt. 21.7.55.]
[Issued as Endt. No. 11330-P/55-8, P.W., dt. 21.7.55.]

Extract of para 7(e) of the audit report on the accounts of the Salem-Erode Electric Licence for the year 1952-53.

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'. Statement No.VIII - Net Revenue and Appropri
Account: Debit side.

:) Interest on loans and advances and other
ured loans: Rs.4,317-12-0

In this is included Rs.1000/- paid to the
ging Agents as guarantee commission as one
cent on cash credit account with the Bank of
lia Ltd. The Managing Agents, it appears, ha
en a guarantee to the Bank in regard to over-
ft allowed to this licensee. The interest
able on the over-draft has been debited to th
ount and no portion of the guarantee commissi
payable to the Bank also. When it is so, I a
the view that the Managing Agent is not justi
taking payment of Rs.1,000/- apart from the
uneration provided for in para XIII of the S
edule to the Electricity (Supply) Act, 1948.
cannot be said that giving of such guarantee i
esponsibility of the Managing Agent and so fo
arantee given, he should be paid a commission
unts to an additional remuneration. If my v
accepted by Government, the licensee may be
rised to recover Rs.1,000/- from the Managing

N AGREEMENT made this sixth day of January one thousand nine hundred and thirtyone ETWEEN THE MANGALORE ELECTRIC SUPPLY COMPANY LIMITED a Company incorporated under he Indian Companies Act,1913 whose registered office is at 14, Old Court House Street, alcutta(hereinafter called "the Company" which expression shall where the context o admits or implies be deemed to include the Company's successors and assigns) of he one part and OCTAVIUS STEEL & CO: LIMITED whose place of business is at 14, Old ourt House Street,Calcutta aforesaid(hereinafter called "the Managing Agents" which xpression shall where the context so admits or implies be deemed to include their uccessors in business) of the other part WHEREBY IT IS AGREED as follows :-

1. The Managing Agents shall hold the Office of first Managing Agents of the ompany.

2. The Managing Agents as such shall perform the duties usually performed by anaging Agents in Calcutta or imposed upon them by the Articles of Association of the ompany and shall have and exercise such powers authorities and discretions as are or ay be by the Articles of Association of the Company conferred upon or assigned to the anaging Agents of the Company.

3. The Managing Agents shall continue in such office as aforesaid from the twenty eighth day of October one thousand nine hundred and thirty for a period of twentyfive years and thereafter until it shall be resigned by them or they shall be removed therefrom by an Extraordinary Resolution of the ordinary shareholders of the Company passed at an Extraordinary General Meeting to be convened for the express purpose and of which meeting six months notice shall be given to each shareholder at his address on the Register and not by advertisement and at which meeting not less than three-fourths in number of the holders of Ordinary shares of the Company for the time being issued shall be present in person or by proxy or attorney and not less than three-fourths of the paid up Ordinary share capital of the Company for the time being shall be represented.

nine hundred and thirty pay to the Managing Agents for their services as such the following - remuneration(subject to any addition or variations from time to time agreed upon between the Managing Agents and the Company) namely (1) a commission of five per cent on the net profits of the Company such net profits being taken as the credit balance of the Company's revenue account after due allowance for depreciation but before deducting income tax or super-tax or any other tax of a similar nature ar (2) a monthly allowance of Rupees One thousand to cover office rent and salaries.

The Managing Agents may also subject to the approval of the Company retain the whole or part services of such technical staff as may be necessary in the Company's interests on such terms and at such remuneration as may be thought fit and may charge such remuneration to the funds of the Company in addition to the above mentioned office allowance whether such staff are officers or employees of the Managing Agents Company or not.

5. The Managing Agents shall provide at their own expense in Calcutta a suitable office and office staff to carry on such of the business of the Company as falls to be done in Calcutta and if it shall in the opinion of the Managing Agents be necessa or expedient to provide an office in the town of Madras to carry on such of the business of the Company as can more conveniently be done in Madras the Managing Ager shall provide such office at their own expense.

All postage and other expenses incurred by the Managing Agents in connectic with the Company's business in Calcutta or the town of Madras shall be borne by the Company.

6. The Managing Agents shall also duly keep make and file all such accounts, boc registers, copies, returns statements and notices as may from time to time be requir by law to be kept, made or filed by or on behalf of the Company or its officers, and the duties of the Managing Agents shall in default of any other arrangement include the duties usually performed by the Secretary of a Company.

PROVIDED ALWAYS and it is hereby agreed and declared that the validity of this Agreement shall not be impeached on the ground that any member or members of the Managing Agents' Company stands or stand or may stand in a fiduciary relation

their respective Common Seals to be hereunto affixed the day and year first above written.

The Common Seal of the above named Mangalore Electric Supply Company Limited was hereunto affixed in the presence of

OCTAVIUS STEEL & CO.LTD.

T.H.L.Brown

MANAGING DIRECTOR.

MANAGING AGENTS.

Sd.

Director.

The Common Seal of the above named Octavius Steel and Co. Limited was hereunto affixed in the presence of

THIS MEMORANDUM OF AGREEMENT made this fourteenth day of August one thousand ni and fifty-one BETWEEN THE MANGALORE ELECTRIC SUPPLY COMPANY LIMITED a Company i under the Indian Companies Act and having its registered office at 14, Old Cour Street, Calcutta (hereinafter called "the Company" which expression shall where context so admits or implies be deemed to include its successors and assigns) o one part and OCTAVIUS STEEL & CO.LIMITED, a Company incorporated under the Indi Companies Act and having its registered office at 14, Old Court House Street af (hereinafter called "the Managing Agents" which expression shall where the cont admits or implies be deemed to include its successors in business) of the other is SUPPLEMENTAL to an Agreement dated the sixth day of January one thousand nin and thirty-one made between the Company of the one part and the Managing Agents other part(hereinafter referred to as "the Principal Agreement")

WHEREAS under the Principal Agreement the Company appointed the Managing to be the Managing Agents of the Company on and from the twentyeighth day of Oct one thousand nine hundred and thirty and the Managing Agents accepted such appoi

AND WHEREAS by reason of the provisions of Section 57 of the Electricity Act 1948 the parties hereto have agreed to vary the terms of the Principal Agree in the manner hereinafter appearing.

AND WHEREAS at an Extraordinary General Meeting of the Company held on th twelfth day of June one thousand nine hundred and fifty-one the following Resolu was passed, that is to say :-

"That pursuat to the provisions of Section 57 of the Electricity (Supply) Act 1948 and with effect from 1st day of April,1950 the remunerat of the Managing Agents for their services as Managing Agents of the Compan and their rights and obligations under the Managing Agency Agreement dated the 6th January,1931 be va ed to accord with the provisions of paragraph 1 of the Sixth Schedule to th said Act and that to record such variations th Directors be and are hereby thorised to enter into a Supplemental Agreem with the Managing Agents in t s of the draft agreement submitted to and approved by this meeting and f the purpose of identification subscribed b

e said resolution.

OW THESE PRESENTS WITNESS that in pursuance of the premises it is etween the parties hereto as follows :-

1. That with effect on and from the first day of April one thousand ni and fifty the first paragraph of clause 4 of the Principal Agreement shall cancelled and be deemed to have been deleted from the Principal Agreement lieu thereof the following clause shall be substituted and be deemed to b porated in the Principal Agreement and the provisions of such substituted shall take effect accordingly, namely :-

"Unless and until otherwise agreed between the Company and the Managing Agents the Managing Agents shall be entitled to receive by wa remuneration for their services as Managings of the Company (a) Ordina Remuneration as and to the maximum extent specified in sub-paragraph ( Paragraph XIII of the Sixth Schedule to the Electricity(Supply)Act 194 subject to the minimum payment specified in sub-paragraph (2) of the s paragraph, and (b) an office allowance as and to the maximum extent sp in sub-paragraph (3) of the said paragraph".

2. In all other respects the terms and provisions of the Principal Ag are hereby confirmed and shall remain in full force and effect.

IN WITNESS whereof the respective Common Seal of the parties have hereunto affixed the day and year first above written.

THE COMMON SEAL of the abovenamed the Mangglore Electric Supply Company Limited has been hereunto affixed and these presents have been signed by C.J.B.Palmer, a Director thereof and by its Managing Agents in the presence of P.K.Sarkar, 14,Old Court House St Calcutta.

OCTAVIUS STEEL & CO.LTD.
Sd. F. C. Williams
Managing Director
Managing Agents

THE COMMON SEAL of the abovenamed Octavius Steel & Co.Ltd.has been hereunto affixed by the authority of a Resolution of its Directors dated the day of 1951 and in the presence of and two of its Directors and its Secretary who have each signed these presents in the presence of P.K.Sarkar,14,Old Court House St

OCTAVIUS STEEL & CO.LTD
Sd. A.H.Galloway
Director

Sd. T.D.Crabb
Director

**Stamp Rs. 30**

THE INDIAN COMPANIES ACTS, 1913-1914.

COMPANY LIMITED BY SHARES.

# MEMORANDUM OF ASSOCIATION

OF

# The Mangalore Electric Supply Company, Limited.

1. The name of the Company is "THE MANGALORE ELECTRIC SUPPLY COMPANY, LIMITED."

2. The Registered Office of the Company will be situate in Bengal.

3. The objects for which the Company is established are:—

(1) To carry on, in the Empire of India and elsewhere, and in particular at Mangalore and the surrounding districts, the business of an electric light and power company in all its branches.

(2) To construct, lay down, establish, fix, and carry out all necessary buildings, works, machinery, mains, cables, wires, lines, accumulators, lamps, and appliances and to generate, accumulate, distribute, and supply electricity, in bulk and otherwise, and to light streets, markets, buildings, and places, both public and private.

(3) To procure licences and other authorities and concessions for or in relation to the supply of energy and to take over any licences or concessions held by any person, firm, or company.

(4) To acquire, whether by purchase, lease, or otherwise, and to construct, equip, work and manage tramways, railways, and other methods of using electrical energy for traction or motive power.

(5) To carry on the business of electricians, mechanical engineers, suppliers of electricity for the purpose of light, heat, motive power, or otherwise, and manufacturers of, and dealers in, all apparatus and things required for, or capable of being used in connection with the generation, distribution, supply, accumulation, and employment of electricity.

(6) To construct, erect, maintain and carry on either by Company or other parties, any works or undertaki of any description whatsoever either upon la acquired by the Company or upon other lands.

(7) To carry on all or any of the business of iron, br metal, and other founders and fitters, mechan engineers, metal-workers, colliery-owners, s owners and shipbuilders, tramway owners, ma facturers of any commodity in the manufacture which electricity is employed or any other busi which can be conveniently carried on in connec with any business which the Company is author to carry on, or which may seem to the Comp calculated, directly or indirectly, to benefit Company, and to acquire and carry on all or any p of the property or business, and to undertake liabilities of any person, firm, association, or comp possessed of property, suitable for any of the purp of this Company, or carrying on any such busines aforesaid, and as the consideration for the same to cash or to issue any shares, stocks, or obligations this Company.

(8) To obtain either from the Government of India or fr any Government or competent authority in any p of the Empire of India or territory of the Fre Republic in India or elsewhere, or from any Munic Authority, any Provisional Order or licence or c cession, or other form of statutory or official autho for enabling the Company to carry any of its obj into effect.

(9) To lease, let out on hire, mortgage, pledge, sell or otl wise dispose of the whole or any part of the undert ing of the Company, or any land, business, prope rights or assets of any kind of the Company, or share or interest therein respectively, in such mar and for such consideration as the Company may th fit, and in particular for shares, debentures, securities of any other corporation having obj altogether or in part similar to those of the Compa

(10) To pay any premium or salamis and to pay for property, rights, or privileges acquired by or serv rendered to the Company, either wholly or parti in cash, or in shares, bonds, debentures, or ot securities of the Company, and to issue any such sh either as fully paid up or with such amount cred as paid up thereon as may be agreed upon, and

(11) To pay all or any costs, charges, and expenses preliminary and incidental to the promotion, formation, establishment and registration of the Company.

(12) To purchase or otherwise acquire and undertake all or any part of the business, property, and liabilities of any person or corporation carrying on any business which the Company is authorised to carry on, or possessed of property suitable for the purposes of the Company.

(13) To promote any other company for the purpose of acquiring all or any of the property of this Company or advancing directly or indirectly the objects or interests thereof, and to take or otherwise acquire and hold shares in any such company, and to guarantee the payment of any debentures or other securities issued by any such company.

(14) To take or otherwise acquire and hold shares in any other company having objects altogether or in part similar to those of this Company, or carrying on any business capable of being conducted so as directly or indirectly to benefit this Company.

(15) To enter into partnership or into any arrangement for sharing profits, union of interests, co-operation, joint adventure, reciprocal concession or otherwise, with any person or company carrying on or engaged in or about to carry on or engage in any business or transaction which this Company is authorised to carry on or engage in or any business or transaction capable of being conducted so as directly or indirectly to benefit this Company, and to take or otherwise acquire and hold shares or stock in any such company.

(16) To draw, make, accept, indorse, discount, execute and issue promissory notes, bills of exchange and other negotiable or transferable instruments.

(17) To invest moneys of the Company not immediately required upon such securities as may from time to time be determined, and in particular in Government Promissory Notes and other Government Securities.

(18) To lend money to such persons and on such terms as may seem expedient, and, in particular, to customers of and other persons having dealings with the Company, and to guarantee the performance of contracts by members of or persons having dealings with the Company.

To appoint Agents and Managers and constitute Agencies of the Company in India or in any other country whatsoever.

(20) To borrow or raise or secure the payment of money in such manner as the Company shall think fit, and, in particular, by the issue of debentures charged upon all or any of the Company's property (both present and future) including its uncalled capital, and to purchase, redeem or pay off any such securities.

(21) To pay brokerage or commission to any person or persons in consideration of his or their subscribing, or agreeing to subscribe, whether absolutely or conditionally, for any shares or debentures of the Company, or procuring or agreeing to procure subscriptions, whether absolute or conditional, for the same, which brokerage or commission may be paid either in cash or in debentures or shares of the Company credited as fully or partly paid up.

(22) To grant pensions, allowances, gratuities and bonuses to employees or ex-employees of the Company or the dependants of such persons, and to support or subscribe to any charitable or other institutions, clubs, societies, funds, or objects.

(23) To distribute any of the Company's property among the members in specie.

(24) To do all or any of the above things in any part of the world, and either as principals, agents, contractors, trustees or otherwise, and either alone or in conjunction with others, and by or through agents, subcontractors, trustees or otherwise.

(25) To do all such other things as are incidental or as the Company may think conducive to the attainment of the above objects or any of them.

4. The liability of the members is limited.

5. The share capital of the Company is Rs. 10,00,000 divided into 100,000 shares of Rs. 10 each, with power to divide the shares in the capital for the time being into several classes and to attach thereto respectively any preferential, deferred, qualified, or special rights, privileges, or conditions.

We, the several persons whose names and addresses are hereunto subscribed, are desirous of being formed into a Company in pursuance of this Memorandum of Association, and we respectively agree to take the number of shares in the capital of the Company set opposite to our respective names.

| Names, Addresses and Descriptions of Subscribers. | Number of Shares taken by each Subscriber. | Names, Addresses and Descriptions of Witnesses. |
|---|---|---|
| J. MACGREGOR,<br>14, Old Court House St.,<br>Calcutta,<br>Merchant. | 300 | H. M. HUGHES,<br>14, Old Court House Street,<br>Calcutta,<br>Electrical Engineer. |
| S. S. HODSON,<br>26, Dalhousie Square,<br>Calcutta,<br>Solicitor. | 300 | NORENDRA NATH MUKERJEE,<br>26, Dalhousie Square,<br>Calcutta,<br>Clerk, Messrs. Sanderson & Co. |
| C. K. NICHOLL,<br>14, Old Court House St.,<br>Calcutta,<br>Merchant. | 300 | |
| J. McFARLANE,<br>14, Old Court House St.,<br>Calcutta,<br>Merchant. | 1 | |
| F. C. WILLIAMS,<br>14, Old Court House St.,<br>Calcutta,<br>Merchants' Assistant. | 1 | H. M. HUGHES,<br>14, Old Court House Street,<br>Calcutta,<br>Electrical Engineer. |
| A. N. McINTYRE,<br>14, Old Court House St.,<br>Calcutta,<br>Electrical Engineer. | 1 | |
| L. G. MILLAR,<br>14, Old Court House St.,<br>Calcutta,<br>Merchants' Assistant. | 1 | |

**Stamp Rs. 50**

THE INDIAN COMPANIES ACTS, 1913-1914.

COMPANY LIMITED BY SHARES.

# ARTICLES OF ASSOCIATION

OF

# The Mangalore Electric Supply Company, Limited.

TABLE "A" EXCLUDED.

1. The regulations in Table A in the First Schedule to the Indian Companies Act, 1913, shall not apply to the Company.

INTERPRETATION.

2. In the construction of these Articles unless there shall be something in the subject or context inconsistent therewith:—

"Special Resolution" and "Extraordinary Resolution" have the meanings assigned thereto respectively by the Indian Companies Act, 1913.

"The Directors" means the Directors for the time being of the Company.

"The Office" means the Registered Office for the time being of the Company.

"The Seal" means the common seal of the Company.

"Month" means calendar month according to the English style.

"Dividend" includes bonus.

"Managing Agents" means the members or member for the time being of the firm or the person or Company that may for the time being be the Managing Agents or Managing Agent of the Company.

"Writing" shall include printing and lithography and any other mode or modes of representing or reproducing words in a visible form.

Words importing the singular number only shall include the plural number and *vice versa*.

Words importing the masculine gender only shall include the feminine gender.

Words importing persons shall include corporations.

## COMMENCEMENT OF BUSINESS.

3. The business of the Company may be commenced as soon after the incorporation of the Company as the Directors shall think fit and notwithstanding that part only of the shares may have been allotted.

4. None of the funds of the Company shall be employed in the purchase of, or lent on, shares of the Company.

## SHARES.

5. The shares shall be under the control of the Directors, who may allot or otherwise dispose of the same to such persons on such terms and conditions and at such times as they think fit, and with full power to give to any person the call of any shares either at par or at a premium and for such time and for such consideration as the Directors may see fit. As regards all allotments from time to time made the Directors shall duly comply with Section 104 of the Indian Companies Act, 1913.

6. If the Company shall offer any of its shares to the public for subscription:—

(*a*) The Directors shall not make any allotment thereof unless and until at least one thousand shares shall have been subscribed and the sums payable on application shall have been paid to and received by the Company; but this provision is no longer to apply after the first allotment of shares offered to the public for subscription has been made.

(*b*) The amount payable on application on each share so offered shall not be less than 5 per cent. of the nominal amount of the share.

7. The joint-holders of a share shall be severally as well as jointly liable for the payment of all instalments and calls due in respect of such share.

8. The Company may at any time pay a commission to any person for subscribing or agreeing to subscribe (whether absolutely or conditionally) for any shares in the Company, or for procuring or agreeing to procure subscriptions (whether absolute or conditional) for any shares in the Company, but so that if the Commission shall be paid or payable out of the capital of the Company the statutory conditions and requirements shall be observed and complied with, and the commission shall not exceed 10 per cent. on the shares in each case subscribed or to be subscribed.

9. The Company may make arrangements on the issue of shares for a difference between the holders of such shares in the amount of calls to be paid and the time of payment of such calls:

10. If, by the condition of allotment of any share, the whole or part of the amount or issue price thereof shall be payable by instalments, every such instalment shall, when due, be paid to the Company by the person who for the time being shall be the registered holder of such share.

11. Save as herein otherwise provided, the Company shall be entitled to treat the registered holder of any share as the absolute owner thereof, and accordingly except as ordered by some Court of competent jurisdiction, or as by statute required, the Company shall not be bound to recognise any equitable or other claim to or interest in such share on the part of any other person.

## CERTIFICATES.

12. The certificates of title to shares shall be issued under the seal of the Company and signed by a Director or the Managing Agents, but if the Managing Agents be an Incorporated Company then by a Director of that Company or by some other person appointed by the Directors of that Company.

13. Every member shall be entitled without payment to one certificate for all the shares registered in his name, or to several certificates, each for one or more of such shares. Every certificate shall specify the number and denoting numbers of the shares in respect of which it is issued and the amount paid up thereon.

14. If any share certificate be defaced or worn out, then, upon production thereof to the Directors, they may order the same to be cancelled, and may issue a new certificate in lieu thereof; and if any certificate be lost or destroyed, then, upon proof thereof to the satisfaction of the Directors and on such indemnity as the Directors deem adequate being given, a new certificate in lieu thereof shall be given to the party entitled to such lost or destroyed certificate.

15. For every certificate issued under the last preceding clause there shall be paid to the Company the sum of Re. 1.

16. The certificate of shares registered in the names of two or more persons shall unless otherwise directed by them be delivered to the person first named on the register.

## CALLS.

17. The Directors may, from time to time, make such calls as they think fit upon the members in respect of all moneys unpaid on the shares held by them respectively, and not by the conditions of allotment thereof made payable at fixed times, and each member shall pay the amount of every call so made upon him to the persons and at the times and places appointed by the Directors. A call may

18. A call shall be deemed to have been made at the time when the resolution of the Directors authorising such call was passed.

19. Fourteen days' notice of any call shall be given specifying the time and place of payment, and to whom such call shall be paid.

20. If on or before the day appointed for payment thereof any call or instalment be not paid, the holder for the time being of the share in respect of which the call shall have been made or the instalment shall be due shall pay interest for the same at such rate not exceeding 10 per cent. per annum as the Directors shall determine from the day appointed for payment thereof to the time of actual payment, but the Directors may waive payment of such interest wholly or in part.

21. The Directors may, if they think fit, receive from any member willing to advance the same and either in money or money's worth all or any part of the moneys due upon the shares held by him beyond the sums actually called for: and upon the amount so paid or satisfied in advance, or so much thereof as exceeds the amount for the time being called up on the shares in respect of which such advance has been made, the Company may allow interest at such rate as may be agreed between the member paying such sum in advance and the Directors.

## FORFEITURE AND LIEN.

22. If any member fail to pay any call or instalment on or before the day appointed for the payment of the same, the Directors may, at any time thereafter, during such time as the call or instalment remains unpaid, serve a notice on such member requiring him to pay the same, together with any interest that may have accrued, and all expenses that may have been incurred by the Company by reason of such non-payment.

23. The notice shall name a day (not being less than fourteen days from the date of the notice), and a place or places, on and at which such call or instalment and such interest and expenses as aforesaid are to be paid. The notice shall also state that in the event of non-payment at or before the time and at the place appointed, the shares in respect of which the call was made or instalment is payable will be liable to be forfeited.

24. If the requisitions of any such notice as aforesaid are not complied with, any shares, in respect of which such notice has been given, may, at any time thereafter, before payment of all calls or instalments, interest and expenses, due in respect thereof, be forfeited by a resolution of the Directors to that effect. Such forfeiture shall include all dividends declared in respect of the forfeited shares, and not actually paid before the forfeiture.

25. Any share so forfeited shall be deemed to be the property of the Company, and the Directors may sell, re-allot, and otherwise dispose of the same in such manner as they think fit.

26. The Directors may, at any time before any share so forfeited shall have been sold, re-alloted, or otherwise disposed of, annul the forfeiture thereof upon such conditions as they think fit.

27. Any member whose shares have been forfeited shall, notwithstanding, be liable to pay, and shall forthwith pay, to the Company all calls, instalments, interest and expenses, owing upon or in respect of such shares at the time of the forfeiture together with interest thereon from the time of forfeiture until payment, at 10 per cent. per annum, and the Directors may enforce the payment thereof if they think fit.

28. The Company shall have a first and paramount lien upon all shares registered in the name of each member (either alone or jointly with others), and upon the proceeds of sale thereof, for his debts, liabilities, and engagements, whether solely or jointly with any other person, to or with the Company, whether the period for the payment, fulfilment, or discharge thereof shall have actually arrived or not, and such lien shall extend to all dividends from time to time declared in respect of such shares. Unless otherwise agreed, the registration of a transfer of shares shall operate as a waiver of the Company's lien, if any, on such shares.

29. For the purpose of enforcing such lien, the Directors may sell the shares subject thereto in such manner as they think fit: but no sale shall be made until such period as aforesaid shall have arrived, and until notice in writing of the intention to sell shall have been served on such member, his executors, or administrators, and default shall have been made by him or them in the payment, fulfilment, or discharge of such debts, liabilities, or engagements for seven days after such notice.

30. The net proceeds of any such sale shall be applied in or towards satisfaction of the said debts, liabilities, or engagements, and the balance (if any) shall be paid to such member, his executors, administrators, or assigns.

31. Upon any such sale as aforesaid the Directors may enter the purchaser's name in the register as holder of the shares sold, and the purchaser shall not be bound to see to the regularity of the proceedings, or to the application of the purchase money, and after his name has been entered in the register the validity of the sale shall not be impeached by any person, and the remedy of any person aggrieved by the sale shall be in damages only and against

## TRANSFER AND TRANSMISSION.

32. The instrument of transfer of any share shall be signe both by the transferor and transferee, and the transferor shall b deemed to remain the holder of such share until the name of th transferee is entered in the register in respect thereof.

33. The instrument of transfer of any share shall be in writin in the usual common form. Every instrument of transfer must b left at the Office of the Managing Agents for registration accom panied by the certificate of the shares to be transferred and suc other evidence (if any) as the Directors may require to prove th title of the transferor or his right to transfer the shares.

34. The Directors may, without assigning any reason, declin to register any transfer of shares upon which the Company has lien and may refuse to register a transfer to a transferee of whon they do not approve.

35. A fee not exceeding Rs. 2 may be charged for eac transfer, and shall, if required by the Directors, be paid before th registration thereof.

36. The transfer books and register of members may be close during such time as the Directors think fit, not exceeding in th whole thirty days in each year.

37. The Company may cause to be kept in the United King dom a branch register of members resident in the United Kingdon and the Directors may from time to time appoint an authority i the United Kingdom to approve of or reject transfers, and to direc the registration of approved transfers in the branch register, an every such authority may, in respect of transfer or other entrie proposed to be registered in the branch register, exercise all th powers of the Directors in the same manner and to the same exten and effect as if the Directors themselves were personally presen in the United Kingdom and exercised the same, and subject to th provisions of the statutes and to the foregoing provisions th Directors may from time to time make such provisions as the may think fit respecting the keeping of such branch register.

38. The executors or administrators of a deceased membe (not being one of several joint-holders) shall be the only person whom the Company shall be bound to recognise as having an title to the shares registered in the name of such member, and i case of the death of any one or more of the joint-holders of an registered shares the survivor or survivors shall be the only person recognised by the Company as having any title to or interest i such shares.

39. Any person becoming entitled to shares in consequence o the death, bankruptcy, or insolvency of any member, or otherwis than by transfer, upon producing such evidence that he sustain

the character in respect of which he purposes to act under this clause, or of his title, as the Directors think sufficient, may, with the consent of the Directors (which they shall not be under any obligation to give), be registered as a member in respect of such shares, or may, subject to the regulations as to transfers herein contained, transfer such shares. This clause is hereinafter referred to as the "Transmission Clause."

## INCREASE AND REDUCTION OF CAPITAL.

40. The Company in General Meeting may, from time to time, increase the capital by the creation of new shares of such amount as may be deemed expedient.

41. The new shares shall be issued upon such terms and conditions, and with such rights and privileges annexed thereto as the General Meeting resolving upon the creation thereof, shall direct, and if no direction be given as the Directors shall determine, and in particular such shares may be issued with a preferential or qualified right to dividends, and in the distribution of assets of the Company, and with a special or without any right of voting.

42. The Company in General Meeting may, before the issue of any new shares, determine that the same, or any of them, shall be offered in the first instance, and either at par or at a premium, to all the then members or any class thereof, in proportion to the amount of the capital held by them, or make any other provisions as to the issue and allotment of the new shares; but, in default of any such determination, or so far as the same shall not extend, the new shares may be dealt with as if they formed part of the shares in the original ordinary capital.

43. Except so far as otherwise provided by the conditions of issue, or by these presents, any capital raised by the creation of new shares shall be considered part of the original ordinary capital, and shall be subject to the provisions herein contained with reference to the payment of calls and instalments, transfer and transmission, forfeiture, lien, voting and otherwise.

44. The Company may, from time to time by special resolution, reduce its capital by paying off capital or cancelling capital which has been lost or is unrepresented by available assets, or reducing the liability on the shares, or otherwise, as may seem expedient, and capital may be paid off upon the footing that it may be called up again or otherwise ; and paid-up capital may be cancelled as aforesaid without reducing the nominal amount of the shares by the like amount to the intent that the unpaid and callable capital shall be increased by the like amount.

## SUBDIVISION AND CONSOLIDATION OF SHARES.

45. The Company may by special resolution subdivide or, by ordinary resolution, consolidate its shares or any of them.

## MODIFICATION OF RIGHTS.

46. Whenever the capital, by reason of the issue of Preference Shares or otherwise, is divided into different classes of shares, all or any of the rights and privileges attached to each class may be modified, commuted, affected, abrogated, or dealt with by agreement between the Company and any person purporting to contract on behalf of that class, provided such agreement is ratified in writing by the holders of at least three-fourths in nominal value of the issued shares of the class or is confirmed by an Extraordinary Resolution passed at a separate General Meeting of the holders of shares of that class and all the provisions hereinafter contained as to General Meetings shall, *mutatis mutandis*, apply to every such meeting, but so that the quorum thereof shall be members holding, or representing by proxy three-fourths of the nominal amount of the issued shares of the class. This clause is not to derogate from any power the Company would have had if this clause were omitted.

## BORROWING POWERS.

47. The Directors may, from time to time, at their discretion raise or borrow or secure the payment of any sum or sums of money for the purposes of the Company from Government or from any persons, banks, firms or companies, particularly any person holding the office of Director or any firm or company holding the office of Managing Agents but so that the amount at any one time owing in respect of moneys so raised, borrowed or secured shall not without the sanction of a General Meeting exceed Rs. 8 lakhs. Nevertheless no lender or other person dealing with the Company shall be concerned to see or enquire whether this limit is observed. The Directors may raise or secure the payment or repayment of such sum or sums in such manner and upon such terms and conditions in all respects as they think fit, and in particular by the issue of debentures or debenture-stock of the 'Company charged upon all or any part of the property of the Company (both present and future) including its uncalled capital for the time being.

Any debentures or other securities may be issued at a discount, premium, or otherwise and with any special privileges as to redemption, surrender, drawings and otherwise.

48. The Managing Agents may, from time to time, at their discretion advance by way of loan or otherwise or raise or borrow any sum or sums of money for the ordinary current obligations of the Company, but so that not more than Rs. 4 lakhs shall be owing at any one time under this clause without the sanction of a General Meeting.

The Managing Agents may raise or secure the repayment of such moneys upon such terms and conditions in all respects as they think fit, by making, drawing, accepting, or endorsing, on behalf of

the Company, any promissory notes or bills of exchange, or giving or issuing any other security of the Company, or by mortgage, or charge of all or any part of the movable property of the Company, but no mortgage or charge of the immovable property of the Company or of its uncalled capital for the time being shall for the purposes of this clause be created.

49. Any debentures or other security may be issued at a discount, premium or otherwise and with any special privileges as to redemption, surrender, drawing, allotment of shares, attending and voting at General Meetings of the Company or otherwise.

50. The Directors shall cause a proper register to be kept in accordance with Section 123 of the Indian Companies Act, 1913, of all mortgages and charges specifically affecting the property of the Company, and to be entered therein the prescribed particulars of such mortgages and charges, and shall duly comply with the requirements of Section 109 of the same Act in regard to the registration of the mortgages and charges therein specified and otherwise.

## GENERAL MEETINGS.

51. The Statutory Meeting shall be held at such time not being more than six months from the date at which the Company is entitled to commence business and at such place as the Directors may determine.

Subsequent General Meetings shall be held once in every year, and at such time and place as may be prescribed by the Company in General Meeting, and if no other time or place is prescribed at such time and place as may be determined by the Directors.

52. The General Meetings referred to in the last preceding clause shall be called Ordinary Meetings; all other meetings of the Company shall be called Extraordinary Meetings.

53. The Directors may, whenever they think fit, and they shall on the requisition of the holders of not less than one-tenth of the issued capital of the Company upon which all calls or other sums then due have been paid, forthwith proceed to convene an Extraordinary General Meeting of the Company, and in the case of such requisition the following provisions shall have effect:—

(1) The requisition must state the objects of the meeting and must be signed by the requisitionists and deposited at the office, and may consist of several documents in like form each signed by one or more requisitionists.

(2) If the Directors of the Company do not proceed to cause a meeting to be held within fourteen days from the

selves convene the meeting, but any meeting so convened shall not be held after three months from the date of the deposit.

(3) If at any such meeting a resolution requiring confirmation at another meeting is passed, the Directors shall forthwith convene a further Extraordinary General Meeting for the purpose of considering the resolution, and, if thought fit, of confirming it as a special resolution; and if the Directors do not convene the meeting within seven days from the date of the passing of the first resolution, the requisitionists or a majority of them in value may themselves convene the meeting.

(4) Any meeting convened under this clause by the requisitionists shall be convened in the same manner as nearly as possible as that in which meetings are to be convened by the Directors.

54. Subject to the provisions of Clause 104 seven clear days' notice to the members specifying the place, day, and hour of meeting, and, in case of special business, the general nature of such business shall be given either by advertisement or by notice sent by post or otherwise served as hereinafter provided, and with the consent in writing of all the members, a meeting may be convened by a shorter notice, and in any manner they think fit.

55. Where it is proposed to pass a special resolution, the two meetings may be convened by one and the same notice, and it is to be no objection to such notice that it only convenes the second meeting contingently on the resolution being passed by the requisite majority at the first meeting.

56. The accidental omission to give any such notice to any of the members shall not invalidate any resolution passed at any such meeting.

## PROCEEDINGS AT GENERAL MEETINGS.

57. The business of an Ordinary Meeting other than the first one shall be to receive and consider the profit and loss account, the balance sheet, and the reports of the Directors and of the Auditors, to elect Directors and other officers in the place of those retiring by rotation, to declare dividends, and to transact any other business which, under these presents, ought to be transacted at an Ordinary Meeting. All other business transacted at an Ordinary Meeting and all business transacted at an Extraordinary Meeting shall be deemed special.

58. Subject to the provisions of Clauses 61 and 104 three shareholders entitled to vote, and present in person or by proxy, or attorney, shall be a quorum for a General Meeting.

59. No business shall be transacted at any General Meeting unless the quorum requisite shall be present at the commencemen of the business.

60. The Chairman of the Directors shall be entitled to tak the chair at every General Meeting, or, if there be no such Chairma or, if at any meeting he shall not be present within fifteen minute after the time appointed for holding such meeting, the member present shall choose another Director as Chairman, and, if no Direc tor be present, or, if all the Directors present decline to take th chair, then the members present shall choose one of their number t be Chairman.

61. If within half-an-hour from the time appointed for th meeting a quorum is not present, the meeting, if convened upo such requisition as aforesaid, shall be dissolved; but in any othe case it shall stand adjourned to the same day in the next week, a the same time and place, and if at such adjourned meeting a quorun is not present, those members who are present shall be a quorum and may transact the business for which the meeting was called.

62. Every question submitted to a meeting shall be decided in the first instance, by a show of hands, and in the case of an equa lity of votes the Chairman shall, both on a show of hands and a the poll, have a casting vote in addition to the vote or votes to whicl he may be entitled as a member.

63. At any General Meeting unless a poll is demanded b the Chairman or by at least three members, present in person or b proxy or attorney and entitled to vote or by a member or member holding or representing by proxy or entitled to vote in respect o at least one-tenth part of the capital represented at the meeting a declaration by the Chairman that a resolution has been carrie or carried by a particular majority, or lost, or not carried by a parti cular majority, and an entry to that effect in the book of proceeding of the Company, shall be conclusive evidence of the fact withou proof of the number or proportion of the votes recorded in favou of or against such resolution.

64. If a poll is demanded as aforesaid, it shall be taken in sucl manner and at such time and place as the Chairman of the meetin directs and either at once, or after an interval or adjournment, o otherwise and the result of the poll shall be deemed to be the reso lution of the meeting at which the poll was demanded. The deman of a poll may be withdrawn.

65. The Chairman of a General Meeting may, with the consen of the meeting, adjourn the same from time to time and from plac to place, but no business shall be transacted at any adjourned meet ing other than the business left unfinished at the meeting from whic the adjournment took place.

66. Any poll duly demanded on the election of a Chairman of a meeting, or on any question of adjournment, shall be taken at the meeting, and without adjournment.

67. The demand of a poll shall not prevent the continuance of a meeting for the transaction of any business other than the question on which a poll has been demanded.

## VOTES OF MEMBERS.

68. On a show of hands every member present in person shall have one vote, and upon a poll every member present in person or by proxy or attorney or by a representative under Section 80 of the Indian Companies Act, 1913, shall have one vote for every share held by him.

69. Any person entitled under the Transmission Clause to transfer any shares may vote at any General Meeting in respect thereof in the same manner as if he were the registered holder of such shares, provided that forty-eight hours at least before the time of holding the meeting or adjourned meeting, as the case may be, at which he proposes to vote he shall satisfy the Directors of his right to transfer such shares, or the Directors shall have previously admitted his right to vote at such meeting in respect thereof.

70. Where there are joint registered holders of any share, any one of such persons may vote at any meeting, either personally or by proxy, in respect of such share as if he were solely entitled thereto; and if more than one of such joint-holders be present at any meeting, personally or by proxy, or attorney that one of the said persons so present whose name stands first on the register in respect of such share shall alone be entitled to vote in respect thereof. Several executors or administrators of a deceased member in whose name any share stands shall for the purposes of this clause be deemed joint-holders thereof.

71. Votes may be given either personally or by proxy or attorney or by a representative under Section 80 of the Indian Companies Act, 1913.

72. The instrument appointing a proxy shall be in writing, under the hand of the appointor or of his attorney, or, if such appointor is a corporation under its common seal. No person shall be appointed a proxy, who is not a member of the Company and qualified to vote, save that a corporation being a member of the Company may appoint as its proxy one of its officers, though not a member of the Company.

73. The instrument appointing a proxy and the power-of-attorney, if any, under which it is signed shall be deposited at the office of the Managing Agents not less than forty-eight hours before the time for holding the meeting or adjourned meeting, as the case

ıay be, at which the person named in such instrument propos
o vote.

74. Every instrument of proxy, whether for a specified meeti
r otherwise, shall, as nearly as circumstances will admit, be in tl
orm or to the effect following:—

THE MANGALORE ELECTRIC SUPPLY COMPANY, LIMITED.

I, the undersigned of
being a member of The Mangalore Electric Supp
Company, Limited, hereby appoint
of or failing him of or faili
him of as my proxy to vote for n
and on my behalf at the (Ordinary or Extraordinary
the case may be) General Meeting of the Company to
held on the day of and at a
adjournment thereof.

As Witness my hand this of

75. No member shall be entitled to be present, or to vote
ny question, either personally or by proxy, or by attorney or
ıroxy for another member, at any General Meeting, or upon a p
ır to be reckoned in a quorum, whilst any call or other sum sh
ıe due and payable to the Company in respect of any of the shar
ıf such member.

76. Any resolution passed by the Directors, notice where
hall be given to the members in the manner in which notices a
ereinafter directed to be given, and which shall, within one mon
fter it shall have been so passed, be ratified and confirmed in writi
y members entitled at a poll to three-fifths of the votes, shall
s valid and effectual as a resolution of a General Meeting; b
his clause shall not apply to a resolution for winding up the Co
any, or to a resolution passed in respect of any matter which
he statutes or these presents ought to be dealt with by special
xtraordinary resolution.

## DIRECTORS.

77. Until otherwise determined by a General Meeting t
umber of the Directors shall not be less than two or more tha
ve. No person shall be qualified to be a Director who is not t
egistered holder of shares of the Company of the nominal val
f Rs. 3,000.

78. The persons hereinafter named shall be the first Directo
hat is to say :—J. MACGREGOR and S. S. HODSON.

79. The Company in General Meeting or Directors shall ha
ower from time to time and at any time to appoint any other pe

sons to be Directors, but so that the total number of Director not at any time exceed the maximum number, fixed as abov so that no such appointment made by the Directors shall be efl unless two-thirds of the Directors concur therein.

80. Every Director shall have the power from time tc to nominate and appoint in writing or by cable, telegram, or w telegraphy, any person approved for that purpose by a ma of the other Directors of the Company, to act as alternate Di in his place at all or any meetings of the Directors at which h not be present and at his discretion remove such alternate Di and on such appointment being made the alternate Director ( as regards share qualification and remuneration) shall be s in all respects to the terms and conditions existing with ref to the other Directors of the Company, and each alternate Di whilst acting in the place of an absent Director shall exercis discharge all the powers and duties of the Director he represe

81. The Managing Agents shall be at liberty to appoi Director and to remove from office any person so appointe whenever any person so appointed shall cease to be a Direc appoint another Director in his place. Directors so appointe not be subject to retirement by rotation and shall not requi qualification.

82. Each Director shall receive out of the funds of the pany by way of remuneration for his services the sum of Rs. such larger sum as the Company in General Meeting may sa for each meeting attended by him, and for each meeting at he may not be present if the Board shall so decide.

The Directors shall also be paid any travelling and oth penses of attending and returning from meetings of the (including hotel expenses) and any other expenses properly in in connection with the business of the Company.

83. The continuing Directors may act notwithstandin vacancy in their body.

84. Every Director other than a Director appointed Clause 81 shall vacate his office on the happening of any of the following, that is to say,—

(*a*) On his becoming bankrupt or insolvent or suspe payment or compounding with his creditors.

(*b*) On his being found a lunatic or becoming of un mind.

(*c*) On his failing for any three successive months ( with consent of his co-Directors) to attend the ings of the Directors.

THE MANGALORE ELECTRIC SUPPLY CO.LTD.

At an Extraordinary General Meeting of the Shareholders of the ɔmpany held on 12th June 1951, the following Special Resolution was assed:-

"That Article 82 of the Articles of Association of the Company be amended by deleting the figure "32" and inserting in lieu thereof the figure "100". "

(*d*) On his notifying to the Company in writing his resignation.

(*e*) Except in the case of a Director appointed under Clause 81 on his being requested in writing by all his co-Directors to resign.

(*f*) On his being removed from office by an Extraordinary Resolution of the Company.

## ROTATION OF DIRECTORS.

85. At the second Ordinary General Meeting subsequent to the statutory meeting provided for by Clause 51 and at the Ordinary General Meeting in every subsequent year one of the Directors shall retire from office, but this provision shall not apply to a Director appointed under Clause 81.

86. The Director to retire shall (unless the Directors shall agree among themselves) be determined by lot, but no Director shall retire a second time so long as there shall be a Director on the Board (other than a Director appointed under Clause 81) who shall not have retired since his election or if he has been elected more than once since his last previous election.

87. On every retirement of a Director in rotation the meeting at which he retires shall elect a Director in his stead, but no Director shall be elected unless his name shall have been previously submitted to and approved by the Directors.

88. Retiring Directors shall be eligible for re-election.

89. If at any meeting at which an election of a Director ought to take place the place of the vacating Director be not filled up, the meeting shall stand adjourned till the same day in the next week at the same place, and if at such adjourned meeting the place of the vacating Director shall not be filled up, the vacating Director shall continue in office until the Ordinary Meeting in the next year, and so on from time to time until his place shall be filled up.

90. If any casual vacancy occur in the Board of Directors it may be filled up by the Directors. Any person so chosen shall retain his office so long only as the vacating Director would have retained the same, if no vacancy had occurred.

## PROCEEDINGS OF DIRECTORS.

91. The Directors may meet together for the despatch of business, adjourn, and otherwise regulate their meetings and proceedings as they think fit, and may determine the quorum necessary for the transaction of business. Unless otherwise determined, two Directors shall be a quorum.

92. A Director may at any time, and the Managing A upon the request of a Director, shall convene a meeting c Directors. It shall not be necessary to give notice of a meeti the Directors to a Director who is not in India.

93. Questions arising at any meeting shall be decided majority of votes, and in case of an equality of votes, the Cha shall have a second or casting vote.

94. The Director appointed under Clause 81 shall be Cha of Directors' meetings, and in his absence the Directors may e Chairman.

95. A meeting of the Directors for the time being at wl quorum is present shall be competent to exercise all or any c authorities, powers, and discretions by or under the Articles c Company for the time being vested in or exercisable by the I tors generally.

96. The Directors may delegate any of their powers to mittees consisting of such member or members of their body a: think fit. Any Committee so formed shall, in the exercise c powers so delegated, conform to any regulation that may from to time be imposed upon it by the Directors.

97. The meetings and proceedings of any such Commi consisting of two or more members, shall be governed by the visions herein contained for regulating the meetings and prc ings of the Directors, so far as the same are applicable theretc are not superseded by any regulations made by the Directors the last preceding clause.

98. All acts done by any meeting of the Directors, or Committee of Directors, or by any person acting as a Director, notwithstanding that it shall afterwards be discovered that was some defect in the appointment of such Directors or pe acting as aforesaid, or that they or any of them were disqualifi as valid as if every such person had been duly appointed anc qualified to be a Director.

99. A resolution in writing, signed by all the Directors, be as valid and effectual as if it had been passed at a meeting c Directors duly called and constituted.

## POWERS OF DIRECTORS.

100. The general control of the business of the Company be vested in the Directors who, in addition to the powers and a rities by these presents or otherwise expressly conferred them, may exercise all such powers and do all such acts and t as may be exercised or done by the Company and are not h

or by statute expressly directed or required to be exercised or done by the Company in General Meeting but subject nevertheless to the provisions of the statutes, and of these presents, and to any regulations from time to time made by the Company in General Meeting ; provided that no regulation so made shall invalidate any prior act of the Directors which would have been valid if such regulation had not been made.

101. The Directors shall duly comply with the provisions of the statutes, and particularly the provisions as to registration and keeping copies of mortgages and charges, keeping of the register of members, and sending to the Registrar of Companies an annual list of members and summary, notices as to increase of capital, returns of allotments and contracts relating thereto, copies of Special and Extraordinary Resolutions, and other particulars connected with the above.

102. No Director nor the Managing Agents nor any member or Director of their firm or company shall be disqualified by his office from holding any office or place of profit under the Company or under any Company in which this Company shall be a shareholder or otherwise interested, or from contracting with the Company either as vendor, purchaser, or otherwise, nor shall any such contract, or any contract or arrangement entered into by or on behalf of the Company in which any Director or the Managing Agents shall be in any way interested, be avoided, nor shall any Director or the Managing Agents be liable to account to the Company for any profit arising from any such office or place of profit or realised by any such contract or arrangement by reason only of such Director or the Managing Agents holding that office or of the fiduciary relations thereby established, but it is declared that the nature of his interest must be disclosed by him at the meeting of the Directors at which the contract or arrangement is determined on, if his or their interest then exists, or in any other case at the first meeting of the Directors after the acquisition of his or their interest. No Director shall as a Director vote in respect of any contract or arrangement in which he is so interested as aforesaid; and if he do so his vote shall not be counted, but this prohibition may at any time or times be suspended or relaxed to any extent by a General Meeting and such prohibition shall not apply to any contract by or on behalf of the Company to give to the Directors or any of them or the Managing Agents any security for advances or by way of indemnity. A general notice that a Director is a member of any specified firm or company, and is to be regarded as interested in all transactions with that firm or company, shall be a sufficient disclosure under this clause as regards such Director and the said transactions, and after such general notice it shall not be necessary for such Director to give a special notice relating to any particular transaction with that firm or company.

## MINUTES.

103. The Directors shall cause minutes to be duly ente books provided for the purpose:—

(*a*) Of all appointments of officers;

(*b*) Of the names of the Directors present at each m of the Directors and of any Committee of Dire

(*c*) Of all orders made by the Directors, or Committ Directors;

(*d*) Of all resolutions and proceedings of General Me and of meetings of the Directors and Committe any such minutes of any meeting of the Direct of any Committee, or of the Company if purport be signed by the Chairman of such meeting, or t Chairman of the next succeeding meeting, sh receivable as *prima facie* evidence of the matters in such minutes.

## MANAGING AGENTS.

104. The business of the Company shall be carried c Managing Agents subject to the general control of the Boa Directors. The first Managing Agents shall be Messrs. Oc Steel & Co., Ltd., of Calcutta, or their assigns or success business whether under the same or any other style or firm they shall be entitled to retain and continue in the said office period of 25 years, from the date of their appointment and ther until it shall be resigned by them or they be removed therefr an Extraordinary Resolution of the ordinary shareholders c Company passed at an Extraordinary General Meeting t convened for the express purpose, and of which meeting six m notice shall be given to each shareholder at his address o register and not by advertisement, and at which meeting no than three-fourths in number of the holders of ordinary sha the Company for the time being issued shall be present in p or by proxy or attorney and not less than three-fourths c paid-up ordinary share capital of the Company for the time be represented. The Managing Agents shall be remunerated commission of 5 per cent. on the net profits of the Company, net profits being taken as the credit balance of the Company's re account after due allowance for depreciation but before ded income-tax or super-tax or any other tax of a similar natur by a monthly allowance of Rs. 1,000 to cover office rent and sa The Managing Agents may also subject to the approval c Directors retain the whole or part services of such technical as may be necessary in the Company's interests on such term at such remuneration as may be thought fit, and may charge remuneration to the funds of the Company in addition to the a

mentioned office allowance, whether such staff are officers or employees of the Managing Agents' Company or not.

105. Without prejudice to the general powers conferred by the last preceding clause, and the other powers conferred by these presents, it is hereby expressly declared that the Managing Agents shall subject as aforesaid have the following powers, that is to say, power:—

(1) To pay the costs, charges and expenses preliminary and incidental to the promotion, establishment and registration of the Company.

(2) To purchase or otherwise acquire for the Company any property, rights, or privileges, which the Company is authorized to acquire, at such price, and generally on such terms and conditions, as they think fit.

(3) With the sanction of the Directors, to pay for any property, rights or privileges acquired by, or services rendered to, the Company either wholly or partially in cash or in shares, bonds, debentures, or other securities of the Company, and any such shares may be issued either as fully paid up or with such amount credited as paid up thereon as may be agreed upon, and any such bonds, debentures, or other securities may be either specifically charged upon all or any part of the property of the Company and its uncalled capital, or not so charged.

(4) To appoint, and at their discretion remove or suspend, such managers, secretaries, officers, clerks, agents, and servants for permanent, temporary, or special services, as they may from time to time think fit and to determine their powers and duties, and fix their salaries or emoluments, and to require security in such instances and to such amount as they think fit.

(5) To accept from any member, on such terms and conditions as shall be agreed, a surrender of his shares or any part thereof.

(6) To appoint any person or persons (whether incorporated or not), to accept and hold in trust for the Company any property belonging to the Company, or in which it is interested, or for any other purposes, and to execute and do all such deeds and things as may be requisite in relation to any such trust, and to provide for the remuneration of such trustee or trustees.

(7) To institute, conduct, defend, compound, or abandon any legal proceedings by or against the Company, or its officers, or otherwise concerning the affairs of the

payment or satisfaction of any debts due, and of any claims or demands by or against the Company.

(8) To refer any claims or demands by or against the Company to arbitration, and to observe and perform the awards.

(9) To make and give receipts, releases, and other discharges for money payable to the Company, and for the claims and demands of the Company.

(10) To sign on the Company's behalf bills, notes, receipts, acceptances, endorsements, cheques, releases, contracts, and documents.

(11) From time to time to provide for the management of the affairs of the Company abroad in such manner as they think fit, and in particular to appoint any persons to be the attorneys or agents of the Company with such powers (including power to sub-delegate) and upon such terms as may be thought fit.

(12) To invest and deal with any of the moneys of the Company not immediately required for the purposes thereof, upon such securities (not being shares in this Company) and in such manner as they may think fit, and from time to time to vary or realise such investments.

(13) With the sanction of the Directors to execute in the name and on behalf of the Company, in favour of any Director or other person who may incur or be about to incur any personal liability for the benefit of the Company, such mortgages of the Company's property (present and future) as they think fit, and any such mortgage may contain a power of sale and such other powers, covenants, and provisions as shall be agreed on.

(14) With the sanction of the Directors to advance moneys to the Company by way of loan with or without security and at such rate of interest and on such terms as may be agreed.

(15) To give to any person employed by the Company a commission on the profits of any particular business or transaction, or a share in the general profits of the Company, and such commission, or share of profits, shall be treated as part of the working expenses of the Company.

(16) To enter into all such negotiations and contracts, and rescind and vary all such contracts, and execute and

do all such acts, deeds and things in the name and or behalf of the Company as they may consider expedient for or in relation to any of the matters aforesaid, or otherwise for the purposes of the Company.

106. The Directors of the Managing Agents' Company for the time being may regulate and conduct their proceedings and exercise all or any of the powers, authorities and discretions of that Company as the Managing Agents of this Company in such manner as the Articles of Association of that Company may permit or direct and may delegate all or any of such powers, authorities and discretions to such of the Managers or other officers of that Company and on such terms and conditions as the Directors of that Company may see fit and accordingly all deeds and documents required to be signed by the Managing Agents of this Company shall be deemed to be sufficiently so signed if signed by any Director of the Managing Agents' Company or by any other officer of that Company to whom its Directors may have delegated their powers in that behalf.

107. The duties of the Managing Agents shall in default of any other arrangement include the duties usually performed by the Secretary of a Company.

108. The Company shall forthwith enter into an agreement under the seal with Messrs. Octavius Steel & Co., Ltd., in terms of the draft which has been approved on behalf of the Company. It is hereby expressly declared that the validity of the said agreement shall not be impeached on the ground that any member or members of the said firm stands or stand in a fiduciary relation to the Company, and every person who shall at any time become a member of the Company shall be deemed to approve and confirm the said agreement.

## SEAL.

109. The seal shall not be affixed to any instrument except by the Directors or the Managing Agents, and subject to the provisions of clause 12 hereof one Director at least and the Managing Agents as the case may be shall sign every instrument to which the seal shall be affixed by them; and in favour of any purchaser or person *bona fide* dealing with the Company such signatures shall be conclusive evidence of the fact that the seal has been properly affixed.

## RESERVES.

110. The Directors may, before recommending any dividend, set aside, out of the profits of the Company, such sums as they think proper as a reserve fund to meet contingencies, or for equalising dividends, or for special dividends, or for repairing, improving and maintaining any of the property of the Company, and for such purposes as the Directors shall in their absolute discretion think

conducive to the interests of the Company; and may invest the several sums so set aside upon such investments (other than shares of the Company) as they may think fit, and from time to time deal with and vary such investments, and divide the reserve fund into such special funds as they think fit and employ the reserve fund or any part thereof in the business of the Company, and that without being bound to keep the same separate from the other assets.

## DIVIDENDS.

111. Subject as aforesaid the net profits of the Company shall be divisible among the shareholders in proportion to the amounts paid up on the shares held by them respectively.

112. The Company in General Meeting may declare a dividend to be paid to the members according to their rights and interests in the profits, and may fix the time for payment.

113. No larger dividend shall be declared than is recommended by the Directors, but the Company in General Meeting may declare a smaller dividend.

114. No dividend shall be payable except out of the profits of the Company, and no dividend shall carry interest as against the Company.

115. The declaration of the Directors or the Managing Agents as to the amount of the net profits of the Company shall be conclusive.

116. The Directors may from time to time pay to the members such interim dividends as in their judgment the position of the Company justifies.

117. The Directors may retain any dividends on which the Company has a lien, and may apply the same in or towards satisfaction of the debts, liabilities or engagements in respect of which the lien exists.

118. Any General Meeting declaring a dividend may direct payment of such dividend wholly or in part by the distribution of specific assets, and in particular of paid-up shares, debentures, or debenture-stock of the Company or paid-up shares, debentures, or debenture-stock of any other Company, or in any one or more of such ways, and the Directors shall give effect to such resolution, and, where any difficulty arises in regard to the distribution, they may settle the same as they think expedient, and in particular may issue fractional certificates, and may fix the value for distribution of such specific assets, or any part thereof, and may determine that cash payments shall be made to any members upon the footing of the value so fixed, in order to adjust the rights of all parties, and may vest any such specific assets in trustees upon such trusts for

the persons entitled to the dividend as may seem expedient to the Directors. Where requisite, a proper contract shall be filed in accordance with the Indian Companies Act, 1913, and the Directors may appoint any person to sign such contract on behalf of the persons entitled to the dividend, and such appointment shall be effective.

119. A transfer of shares shall not pass the right to any dividend declared thereon before the registration of the transfer.

120. The Directors may retain the dividends payable upon shares in respect of which any person is under the transmission clause entitled to become a member, or which any person under that clause is entitled to transfer, until such person shall become a member in respect thereof or shall duly transfer the same.

121. Any one of several persons who are registered as the joint-holders of any share may give effectual receipts for all dividends and payments on account of dividends in respect of such share.

122. Unless otherwise directed any dividend may be paid by cheque or warrant sent through the post to the registered address of the member entitled or in the case of joint-holders, to the registered address of that one whose name stands first on the register in respect of the joint-holding; and every cheque or warrant so sent shall be made payable to the order of the person to whom it is sent.

123. All dividends unclaimed for one year after having been declared may be invested or otherwise made use of by the Directors for the benefit of the Company until claimed, and if not claimed for three years after declaration thereof shall at the end of that period be forfeited to the Company and cease to be payable and shall be added to the reserve fund, but the Directors may remit the forfeiture whenever they think proper.

## ACCOUNTS.

124. The Directors shall cause true accounts to be kept of the sums of money received and expended by the Company, and the matters in respect of which such receipt and expenditure takes place, and of the assets, credits, and liabilities of the Company.

125. The books of account shall be kept at the office or at such other place or places as the Directors think fit.

126. The Directors shall from time to time determine whether and to what extent, and at what times and places, and under what conditions or regulations, the accounts and books of the Company, or any of them, shall be open to the inspection of the members, and no member shall have any right of inspecting any account or book

or document of the Company, except as conferred by statute or authorised by the Directors, or by a resolution of the Company in General Meeting.

127. At each Ordinary Meeting, after the year 1931, the Directors shall lay before the Company a profit and loss account and a balance sheet, containing a summary of the property and liabilities of the Company, made up to a date not more than six months before the meeting from the time when the last preceding account and balance sheet were made up, or in the case of the first account and balance sheet from the incorporation of the Company.

128. Every such balance sheet shall be accompanied by a report of the Directors as to the state and condition of the Company, and as to the amount which they recommend to be paid out of the profits by way of dividend or bonus to the members, and the amount (if any) which it is proposed to carry to the reserve fund, according to the provisions in that behalf hereinbefore contained: and the account, report, and balance sheet shall be signed by two Directors and countersigned by the Managing Agents.

129. A printed copy of such account, balance sheet and report shall, seven days previously to the meeting, be served on the registered holders of shares, in the manner in which notices are hereinafter directed to be served.

## AUDIT.

130. Once at least in every year, commencing with the year 1932, the accounts of the Company shall be examined and the correctness of the profit and loss account and balance sheet ascertained by one or more Auditor or Auditors.

131. The Company shall once during each year at the Ordinary General Meeting appoint an Auditor or Auditors to hold office until the next Ordinary General Meeting, and the following provisions shall have effect, that is to say:—

(1) A Director or Officer of the Company shall not be capable of being appointed Auditor of the Company.

(2) A person, other than a retiring Auditor, shall not be capable of being appointed Auditor at an Ordinary General Meeting unless notice of an intention to nominate that person to the office of Auditor has been given by a shareholder to the Company not less than fourteen days before the meeting, and the Company shall send a copy of any such notice to the retiring Auditor, and shall give notice thereof to the shareholders either by advertisement or in any other mode allowed by the Articles, not less than seven days before the meeting.

an Auditor has been so given, an Ordinary General Meeting is called for a date fourteen days or less after the notice has been given, the notice, though not given within the time required by this provision, shall be deemed to have been properly given for the purposes thereof, and the notice to be sent or given by the Company may instead of being sent or given within the time required by this provision, be sent or given at the same time as the notice of the Ordinary General Meeting.

(3) The first Auditors of the Company may be appointed by the Directors before the statutory meeting and if so appointed shall hold office until the first Ordinary General Meeting unless previously removed by a resolution of the shareholders in General Meeting, in which case the shareholders at that meeting may appoint Auditors.

(4) The Directors may fill any casual vacancy in the office of Auditor, but while any such vacancy continues the surviving or continuing Auditor or Auditors (if any) may act.

132. The remuneration of the Auditors shall be fixed by the Company in General Meeting, except that the remuneration of any Auditors appointed before the statutory meeting or to fill any casual vacancy may be fixed by the Directors.

133. (1) Every Auditor of the Company shall have a right of access at all times to the books and accounts and vouchers of the Company, and shall be entitled to require from the Directors and Managing Agents and officers of the Company such information and explanations as may be necessary for the performance of the duties of the Auditors.

(2) The Auditors shall make a report to the shareholders on the accounts examined by them, and on every balance sheet laid before the Company in General Meeting during their tenure of office, and the report shall state:—

(*a*) Whether or not they have obtained all the information and explanations they have required; and

(*b*) Whether in their opinion the balance sheet referred to in the report is properly drawn up so as to exhibit a true and correct view of the state of the Company's affairs according to the best of their information and explanations given to them and as shown by the books of the Company.

(3) The balance sheet shall be signed on behalf of the Board by the Managing Agents and by at least two of the Directors of the

Company, and the Auditors' report shall be attached to the balance sheet, or there shall be inserted at the foot of the balance sheet a reference to the report and the report shall be read before the Company in General Meeting and shall be open to inspection by any shareholder.

134. Every account of the Directors, when audited and approved by a General Meeting, shall be conclusive, except as regards any error, discovered therein within three months next after the approval thereof. Whenever any such error is discovered within that period, the account shall forthwith be corrected, and thenceforth shall be conclusive.

## NOTICES.

135. Notices required to be given to the shareholders may be given either by advertisement in a newspaper circulating in Calcutta or circulars addressed to them, at the option of the Directors.

136. Each holder of registered shares, whose registered place of address is not in British India, may from time to time notify in writing to the Company an address in British India which shall be deemed his registered place of address.

137. As regards those members who have no registered place of address, a notice directed to be sent by post shall, if posted up in the office, be deemed to be well served on them at the expiration of twenty-four hours after it is so posted up.

138. All notices shall, with respect to any registered shares to which persons are jointly entitled, be given to whichever of such persons is named first in the register, and notice so given shall be sufficient notice to all the holders of such shares.

139. Any notice sent by post shall be deemed to have been served on the day following that on which the envelope or wrapper containing the same is posted, and in proving such service it shall be sufficient to prove that the envelope or wrapper containing the notice was properly addressed and put into the post office, and a certificate in writing signed by the Managing Agents that the envelope or wrapper containing the notice was so addressed and posted shall be conclusive evidence thereof. All notices given by advertisement shall be deemed to have been given on the day on which the advertisement first appeared.

## ARBITRATION.

140. If and whenever any difference shall arise between the Company and any of the members or their respective representatives touching the construction of any of the Articles herein contained or any act, matter or thing made or done or to be made or done or omitted or in regard to the rights and liabilities arising hereunder or arising out of the relation existing between the parties

y reason of these presents or of the statutes or any of them such ifference shall be forthwith referred to two Arbitrators—one to e appointed by each party in difference—or to an Umpire to be hosen by the Arbitrators before entering on the consideration of ıe matters referred to them and every such reference shall be onducted in accordance with the provisions of The Indian Arbi-ration Act, 1899.

## WINDING-UP.

141. If the Company shall be wound up, the surplus assets if any) shall be distributed among the members in proportion to he capital at the commencement of the winding-up paid up, or /hich ought to have been paid up, on the shares held by them espectively. But this clause is to be without prejudice to the rights f the holders of shares issued upon special terms and conditions.

142. If the Company shall be wound up, whether voluntarily r otherwise, the liquidators may, with the sanction of an Extraordi-ary Resolution, divide among the contributories, in specie or kind, ny part of the assets of the Company, and may, with the like anction, vest any part of the assets of the Company in trustees pon such trust for the benefit of the contributories, or any of them s the liquidators, with the like sanction, shall think fit.

## INDEMNITY.

143. The Directors, Managing Agents, Managers, Auditors, Trustees, and officers for the time being of the Company, shall be ndemnified out of the funds of the Company against all costs, harges, losses, damages, and expenses which they shall respectively ıcur or be put to on account of any contract, act, deed, matter r thing which shall be made, done, entered into, or executed by hem respectively on behalf of the Company, and the Directors, Managing Agents, Managers, Trustees, or other officers shall be eimbursed by the Company all reasonable expenses incurred by hem in or about any legal proceedings or arbitration on account f the Company or otherwise in the execution of their respective ffices, except such costs, losses and expenses as shall happen hrough their respective wilful default or neglect. And any such Director, or the Managing Agents, Manager, or other officer shall e chargeable only for so much money as he or they shall actually eceive, and they respectively shall not be answerable for the acts, eceipts, neglects or defaults of each other, but each of them for is own acts, receipts, default, or neglect only; nor shall they espectively be answerable for any banker, broker, collector, or other erson with whom or into whose hands any property or moneys of he Company may be deposited or come, nor for the insufficiency f the title to any estate or property which may from time to time e acquired on behalf of the Company, nor for the insufficiency of ny security upon which any of the moneys of the Company shall

be invested by order of or under authority from the Directors, nor for any loss or damage which may happen in the execution of their respective offices, unless the same shall happen through their own respective wilful default or neglect.

## SECRECY CLAUSE.

144. No member shall be entitled to visit or inspect the Company's Power House Stations or property without the permission of the Directors or Managing Agents, or to require discovery of or any information respecting any detail of the Company's business or any matter which is or may be in the nature of a trade secret, mystery of trade, or secret process which may relate to the conduct of the business of the Company, and which, in the opinion of the Directors, it will be inexpedient in the interest of the members of the Company to communicate to the public.

J. MACGREGOR,
14, Old Court House St.,
Calcutta,
Merchant.

H. M. HUGHES,
14, Old Court House Street,
Calcutta,
Electrical Engineer.

S. S. HODSON,
26, Dalhousie Square,
Calcutta,
Solicitor.

NORENDRANATH MUKERJEE,
26, Dalhousie Square,
Calcutta,
Clerk, Messrs. Sanderson & Co.

C. K. NICHOLL,
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Calcutta,
Merchant.

J. McFARLANE,
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Calcutta,
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F. C. WILLIAMS,
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